

Summary of the supervisory steps taken by the Danish Financial Supervisory Authority towards Gefion Insurance A/S

The Danish Financial Supervisory Authority has not approved Gefion Insurance's recovery plan and therefore ordered the company to stop writing business. The Danish Financial Supervisory Authority has also ordered the company to recognize impairment losses on receivables from three of the company's agents.

Gefion Insurance offers insurances through agents in Europe. The company primarily offers insurances to individuals and small and medium sized companies and focuses on specialty lines in the different countries. The agents are responsible for the underwriting and the administration of policies and claims. In some cases the claims administration is handled by a claims handling company.

On November 28, 2019, the Danish Financial Supervisory Authority (DFSA) ordered Gefion Insurance to prepare a recovery plan as Gefion Insurance no longer fulfilled the solvency capital requirement. The recovery plan must lead to the solvency capital requirement being fulfilled within 6 months.

The DFSA has assessed that Gefion Insurance's recovery plan could not be approved, since the recovery plan did not provide sufficient evidence that the company would be able to fulfill the solvency capital requirement within 6 months and hence be able to adequately protect the interests of current and future policyholders. Therefore, the DFSA also ordered the company to stop writing business until the DFSA can approve a recovery plan or the company complies with the solvency capital requirement.

Furthermore, the DFSA has ordered Gefion Insurance to recognize impairment losses on receivables from three of the company's agents due to the agents' financial situations. Regarding one of the receivables, Gefion can omit recognition of impairment losses if Gefion can document to the DFSA that the agent does not have significant financial difficulties. The DFSA has also ordered the company to ensure that it has a proper accounting practice and is able to document its activities.

The DFSA has informed the host national supervisory authorities via a European Insurance and Occupational Pensions Authority (EIOPA) Cross-Border Platform of Collaboration about the orders issued to Gefion Insurance.