

Insurance and reinsurance law in the Czech Republic and the United Kingdom

My diploma thesis focuses on the law of insurance and reinsurance. Insurance is an important sector within the financial services area. It helps to mitigate the consequences of unforeseen events, whose impact would otherwise be much more severe. Due to the high monetary volumes involved in this sector, the state regulates this industry. It sets the requirements to conduct the business, requirements in respect of the financial health and the obligations towards the supervising body.

Reinsurance is closely connected to insurance, because in principle it is an „insurance of an insurance company“, i.e. a risk transfer between the insurance and reinsurance company, where the reinsurance company pays claims to the insurance company in the case of unforeseen events specified in the reinsurance contract. Although most of us may never come across reinsurance, it is a key differentiator when catastrophes happen, as they often cause significant damage. and it does not matter, whether they are natural or man-made. In these cases the reinsurers bear a substantial portion of the losses that the insurance companies then pay out to their clients.

For this reason I am focusing on the regulation of these activities and I am comparing the regulation in the Czech Republic and the United Kingdom. Although much of the regulation is the same or similar in both countries due to the membership in the European Union, there are some differences. These are for example more advanced solvency rules for insurers in the United Kingdom, solvency being the ability to meet the obligations towards its clients. Also there are differences in setting the requirements for conduct of insurance and reinsurance business, where for example in the United Kingdom many of the provisions are for guidance or aid, which is different to the plainly normative approach in the Czech laws.

Key words: insurance law, reinsurance, supervision