L.N. 139 of 1999

INSURANCE BUSINESS ACT, 1998

(ACT NO. XVII OF 1998)

Insurance Business (Fees) Regulations, 1999

IN exercise of the powers conferred by section 64 of the Insurance Business Act, 1998, the Minister of Finance, after consultation with the Malta Financial Services Centre, has made the following regulations:-

Citation.

1. These regulations may be cited as the Insurance Business (Fees) Regulations, 1999.

Interpretation.

2. (1) In these regulations, unless the context otherwise requires –

"the Act" means the Insurance Business Act, 1998;

"authorisation" means an authorisation issued or held, or to be issued or held, under the Act to carry on business of insurance or to act as an insurance agent or insurance manager or approved auditor;

"branch" includes -

(a) in the case of a company whose head office is in Malta carrying on business of insurance or a company acting as an insurance agent or insurance manager, any premises of the company, other than the company's principal place of business, from where the company carries on business of insurance; and

(b) in the case of a company whose head office is in a country outside Malta carrying on business of insurance in or from Malta, any premises of the company in Malta, other than the company's principal place of business, from where the company carries on business of insurance;

"Brokers List" has the same meaning as is assigned to it by subsection (1) of section 2 of the Insurance Brokers and Other Intermediaries Act, 1998;

Act XVIII of 1998.

"Centre" means the Malta Financial Services Centre established by section 3 of the Malta Financial Services Centre Act and appointed under section 3 of the Act to be the Competent Authority for the purposes of the Act; Cap. 330.

"enrolled company" means a company enrolled in the Brokers List under section 13 of the Insurance Brokers and Other Intermediaries Act, 1998;

"gross commissions receivable" means, in the case of a company acting as an insurance agent, the gross amount of commissions receivable in respect of its aggregate business of insurance required to be included in the statements required to be forwarded under section 32 of the Act in relation to the calendar year to which the statements relate;

"gross premiums" means premiums after deduction of discounts, refunds and rebates of premium but before deduction of premiums for reinsurance ceded and before deduction of commissions payable by the company;

"gross premiums receivable" means -

(a) in the case of a company whose head office is in Malta carrying on business of insurance, the gross amount of premiums receivable in respect of its aggregate business of insurance;

(b) in the case of a company whose head office is in a country outside Malta, other than a Recognised Insurance Body, carrying on business of insurance in Malta through a branch or insurance agent, or both a branch and insurance agent, the gross amount of premiums receivable in respect of the aggregate business of insurance carried on in Malta by the branch or insurance agent or both the branch and insurance agent;

(c) in the case of a Recognised Insurance Body known as Lloyd's whose members carry on business of insurance in or from Malta through insurance agents or with enrolled companies, the gross amount of premiums receivable in respect of the aggregate business of insurance carried on in or from Malta by those members taken together;

(d) in the case of a company holding a permit issued under section 39 of the Act servicing solely and exclusively

its long term business carried on in or from Malta, the gross amount of premiums receivable in respect of its aggregate business serviced by the company in Malta in accordance with that permit,

in each case, required to be included in the statements required to be forwarded under section 32 of the Act in relation to the calendar year to which the statements relate;

"permit" means a permit issued or held, or to be issued or held, pursuant to or under any provision of the Act;

"the Schedule" means the Schedule to these regulations;

"to service", in relation to unexpired policies, includes the run-off of such policies;

"the specified date" shall be construed in accordance with section 40 of the Act,

and the words and expressions which are also used in the Act have the same meanings as in the Act.

(2) In these regulations, unless explicitly excluded, business of insurance includes business of reinsurance thereof.

Payment of authorisation and permit fees.

3. (1) Subject to paragraphs (2) and (3) of this regulation, any person, other than a Protection and Indemnity Club -

(a) applying for an authorisation in respect of a matter of a description specified in the first column of Group A or Group B of Part I of the Schedule; or

(b) applying for a permit in respect of a matter of a description specified in the first column of Group C or Group D of Part I of the Schedule; or

(c) applying for approval in respect of a matter of a description specified in the first column of Group E of Part I of the Schedule,

shall –

(i) upon submission of the application, irrespective of whether the application is eventually accepted or not, pay to the

Centre the fee relating to the matter of the description to which the application relates specified in the second column of the respective Group of that Part of the Schedule subject, where applicable, to the payment of the minimum fee relating to the matter of that description specified in the third column of that respective Group; and

(ii) upon acceptance of the application, pay to the Centre the fee relating to the matter of the description to which the application relates specified in the fourth column of the respective Group of the said Part of the Schedule subject, where applicable, to the payment of the minimum fee relating to the matter of that description specified in the fifth column of that respective Group.

(2) Where an application for an authorisation or permit is in respect of any one or more classes, or any one or more groups of classes or part of such group or groups of classes, of a kind of business of insurance specified in the first column of Group A or Group D of Part I of the Schedule, if the applicant, at the time of submitting the application, holds an authorisation or permit in respect of any one or more classes, or any one or more groups of classes or part of such group or groups of classes, of the kind of business of insurance to which the application relates, the minimum fee, where applicable, relating to the class or classes, or the group or groups of classes, or part of such group or groups of classes, of that kind of business of insurance specified in the third column of the respective Group of that Part of the Schedule, in the case of that application, shall not apply; and where the application is accepted, the minimum fee, where applicable, relating to that class or classes, or that group or groups of classes, or part of such group or groups of classes, of that kind of business of insurance specified in the fifth column of that respective Group, in the case of that application, shall, in like manner, not apply.

(3) Where an application for an authorisation is to act under an appointment of a description specified in the first column of Group B of Part I of the Schedule for, or on behalf of, any person, if the applicant, at the time of submitting the application, holds an authorisation to act under an appointment of that description for, or on behalf of, any other person, the minimum fee, where applicable, relating to the appointment of that description specified in the third column of that Group, in the case of that application, shall not apply; and, where the application is accepted, the minimum fee, where applicable, relating to an appointment of that description specified in the fifth column of that Group, in the case of that application, shall, in like manner, not apply.

(4) A Recognised Insurance Body known as Lloydís shall, upon recognition as such by Order made by the Centre pursuant to section 2 of the Act, pay to the Centre the aggregate fees relating to the kind of business of insurance listed in the Order specified in the second and fourth columns of Group A of the Schedule, subject, where applicable, to the payment of the aggregate minimum fees relating to that kind of business of insurance specified in the third and fifth columns of that Group.

Payment of continuance of authorisation and permit fees.

4. Any person, other than a Protection and Indemnity Club, who, on the 31st December of each year, holds an authorisation or permit in respect of a matter of a description specified in Part II of the Schedule shall, during the month of January of the next following year, pay to the Centre the fee relating to the continuance of authorisation or permit in respect of a matter of that description held by the person concerned specified in that Part of the Schedule due on the first day of that month.

Payment of submission of business statements fees.

5. (1) Subject to paragraph (2) of this regulation, when business of insurance statements are forwarded under section 32 of the Act -

(a) in the case of a company carrying on business of insurance, the company shall pay to the Centre:

(i) in the year 2000, the fee specified in the second column of Table A of Part III of the Schedule; and

(ii) in the year 2001 and any subsequent year, the fee specified in the third column of the said Table A,

in each case, according to the amount of its gross premiums receivable for the calendar year to which the statements forwarded relate;

(b) in the case of a company acting as an insurance agent, the company shall pay to the Centre:

(i) in the year 2000, the fee specified in the second column of Table B of Part III of the Schedule; and

(ii) in the year 2001 and any subsequent year, the fee specified in the third column of the said Table B,

in each case, according to the amount of its gross commissions receivable for the calendar year to which the statements forwarded relate.

(2) This regulation does not apply -

(a) in the case of a company carrying on business of affiliated insurance;

(b) in the case of a company whose business is servicing solely and exclusively general business; or

(c) in the case of a company whose business is servicing solely and exclusively long term business where the gross premiums receivable by the company in respect of that business for the calendar year to which the statements forwarded relate fall below the amount of and including Lm10,000.

(3) For the purposes of this regulation and Table A of Part III of the Schedule, servicing, in relation to general business, is deemed to be effected on the first day immediately following the date of the first anniversary of the specified date shown in the permit to which the business serviced, or being serviced, relates.

Fees payable by Protection and Indemnity Clubs.

6. Any Protection and Indemnity Club applying for a permit to carry on business of insurance in Malta shall pay to the Centre –

(a) upon submission of the application, irrespective of whether the application is eventually accepted or not, the sum of Lm100 as application for permit fee;

(b) upon acceptance of the application, the sum of Lm100 as granting of permit fee; and

(c) thereafter, during the month of January of each year, the sum of Lm200 as continuance of permit fee due on the first day of that month.

Repeals and savings. L.N. 176 of 1994.

7. (1) Saving the provisions of the following paragraphs of this regulation, the Insurance Business (Fees) Regulations, 1994, hereinafter in this regulation referred to as "the 1994 Regulations", are hereby repealed.

(2) Any person who on the date of coming into force of the Act and the Insurance Brokers and Other Intermediaries Act, 1998 held a licence to operate as an insurer or to act as an insurance agent, or held an authority to act as an insurance broker or insurance salesman, issued under the Insurance Business Act, 1981, repealed by the Act, shall, in respect of any fees due or to become due to the Centre by such person under the 1994 Regulations until the 31st December 1999, continue to be governed by the 1994 Regulations. Cap. 290.

(3) The provisions of paragraph (2) of this regulation shall not apply in the case of an application for a partial or total withdrawal of operations.

SCHEDULE

(Regulations 3 to 5)

Authorisation and Business Statements Fees

Part I

Authorisation and permit fees

First Column	*Second Column*	*Third Column*	*Fourth Column*	*Fifth Column*
	Submission of application fee		Acceptance of application fee	
Group A	Lm	Lm	Lm	Lm
Authorisation to carry on -				
1. business of insurance:				
(a) long term business	75 per class	300	75 perclass	300
(b) general business	75 per group of classes or part group thereof, other than group 8 500 in respect of group 8	300	75 per group of classes or part group thereof, other than group 8 500 in respect of group 8	300
2. business of affiliated insurance	500		500	
3. business of reinsurance (solely and exclusively)	500		500	

First Column	*Second Column*	*Third Column*	*Fourth Column*	*Fifth Column*
	Submission of application fee		Acceptance of application fee	
	Lm	Lm	Lm	Lm
Group B				
Authorisation to act as –				
1. an insurance agent	100 per insurer	200	100 per insurer	200
2. an insurance manager	100 and 50 per appointment		100 and 50 per appointment	
3. approved auditor:				
(a) individual	25		25	
(b) partnership	50		50	
Group C				
Permit to open a branch in Malta	35 per branch		40 per branch	
Group D				
Permit to cease to carry on and subsequently to service –				
1. business of insurance:				
(a) long term business	75 per class	300	75 per class	300

First Column	*Second Column*	*Third Column*	*Fourth Column*	*Fifth Column*
	Submission of application fee		Acceptance of application fee	
	Lm	Lm	Lm	Lm
(b) general business	75 per group of classes or part group thereof, other than group 8 500 in respect of group 8	300	75 per group of classes or part group thereof, other than group 8 500 in respect of group 8	300
2. business of affiliated insurance	500		500	
3. business of reinsurance (solely and exclusively)	500		500	
Grupp E				
Approval of a scheme to transfer general business	75 per group of classes or part group thereof, other than group 8 500 in respect of group 8	300	75 per group of classes or part group thereof, other than group 8 500 in respect of group 8	300

Part II

Continuance of authorisation and permit fees

	Fee Lm
Continuance of -	
1. authorisation to carry on business of affiliated insurance	1,000
2. authorisation to act as an insurance manager	200 and 100 per appointment
3. permit to service:	
(a) general business	500
(b) business of affiliated insurance	500
(c) business of reinsurance (solely and exclusively)	500
4. permit to maintain a branch in Malta	75 per branch

Part III

Submission of business statements fees

Table A

Insurers' business statements -

First Column	*Second Column* *Fee* Lm	*Third Column* *Fee* Lm
Gross premiums receivable:		
Up to and including Lm1,500,000	1,250	1,500
Over Lm1,500,000 up to and including Lm2,500,000	1,500	2,000
Over Lm2,500,000 up to and including Lm3,500,000	1,750	2,500
Over Lm3,500,000 up to and including Lm5,000,000	2,000	3,000
Over Lm5,000,000	2,250	3,500

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Table B

Insurance agents' business statements -

First Column	*Second Column*	*Third Column*
	Fee Lm	*Fee* Lm
Gross commissions receivable:		
Up to and including Lm100,000	350	400
Over Lm100,000 up to and including Lm300,000	400	500
Over Lm300,000 up to and including Lm400,000	450	600
Over Lm400,000 up to and including Lm600,000	500	700
Over Lm600,000	550	800.