L.N. 115 of 2006

INSURANCE BUSINESS ACT (CAP.403)

Insurance Business (Long Term Business Contract Statutory Notice) (Amendment) Regulations, 2006

IN exercise of the powers conferred by articles 44 and 64 of the Insurance Business Act, the Prime Minister and Minister of finance, after consultation with the Malta Financial Services Authority, has made the following regulations:-

Citation and commencement.

L.N. 106 of 2000.

1. (1) The title of these regulations is the Insurance Business (Long Term Business Contract Statutory Notice) (Amendment) Regulations, 2006, and shall be read and construed as one with the Insurance Business (Long Term Business Contract Statutory Notice) Regulations, 2000, hereinafter referred to as "the principal regulations".

(2) These regulations shall come into force on the 1st August, 2006.

Amends regulation 2 of the principal regulations.

2. Regulation 2 of the principal regulations shall be amended as follows:

(a) in the definition "long term business contract", immediately after the words "falling within the Second Schedule to the Act" there shall be added the words ", and which is not a distance contract as defined in the Distance Selling (Retail Financial Services) Regulations, 2005"; and

L.N. 36 of 2005.

(b) for the definition "party" there shall be substituted the following new definition:

" "party" means any party to a long term business contract of insurance;".

Amends regulation 3 of the principal regulations.

3. Regulation 3 of the principal regulations shall be amended as follows:

(a) in sub-regulation (1) thereof, the words "either prior to the conclusion of such contract or" shall be deleted; and

(b) sub-regulation (7) thereof, shall be amended as follows:

(i) in paragraph (a) thereof, for the words "the proposer" there shall be substituted the words "the policyholder";

(ii) for paragraph (b) thereof, there shall be substituted the following :

"(b) long term business contracts for which the policyholder, or if there is more than one policyholder, at least one of the policyholders, is neither a person on whose life the contract is made nor the spouse or minor child of such a person;";

(iii) for paragraph (c) thereof, there shall be substituted the following:

"(c) contracts of term insurance into which the policyholder is required to enter in order to obtain credit or loan facilities and such requirement is shown by documentary evidence referred to or attached with the proposal:

Provided that this paragraph shall not apply when the credit or loan facility is to be granted by an individual;";

(iv) paragraph (d) thereof shall be renumbered as paragraph (e); and

(v) immediately after paragraph (c) thereof, there shall be added the following new paragraph (d):

"(d) long term business contracts of six months' duration or less;".

4. Regulation 4 of the principal regulations shall be amended as follows: Amends regulation 4 of the principal regulations.

(a) in sub-regulation (1) thereof, for the words "within a period of fifteen days beginning from the date on which such notice has been served,", there shall be substituted the words "within a period of thirty days beginning from the date on which such notice has been served,";

(b) for sub-regulation (4) thereof, there shall be substituted the following:

"(4) Where a person serves a notice of cancellation, the notice shall operate so as to cancel the contract."; and

(c) in sub-regulation (5) thereof, for the words "Where a notice of cancellation operates to cancel a contract or as the withdrawal of an offer to enter into a contract - "there shall be substituted the words "Where a notice of cancellation operates to cancel a contract, then - ".

Amends the First Schedule to the principal regulations.

5. The First Schedule to the principal regulations shall be amended as follows:

(a) in paragraph 1 thereof, for the words "entered into/have applied to enter into" there shall be substituted the words "entered into";

(b) for paragraph 4 thereof, there shall be substituted the following -

"4. The regulations give you 30 days beginning from the day on which you are served with this notice to consider the matter again and, if you wish, to withdraw from the transaction.";

(c) in paragraph 5 thereof, for the words "the insurer whose particulars are given in paragraph 1 of this notice within the period of 15 days" there shall be substituted the words "the insurer whose particulars are given in paragraph 1 of this notice within the period of 30 days"; and

(d) in paragraph 6 thereof, for the words "under the contact" there shall be substituted the words "under the contract".

Amends the Second Schedule to the principal regulations.

6. In the Second Schedule to the principal regulations, for the words "*(insert the name of the proposer)"* under the heading "RECEIPT" there shall be substituted the words "*(insert the name of the policyholder)"*.

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