L.N. 326 of 2006

INSURANCE INTERMEDIARIES ACT (CAP. 487)

Insurance Intermediaries (Exemption) Regulations, 2006

IN exercise of the powers conferred by article 3(3) of the Insurance Intermediaries Act, the Prime Minister and Minister of Finance, after consultation with the Malta Financial Services Authority, has made the following regulations:-

Citation and commencement.

1. (1) The title of these regulations is the Insurance Intermediaries (Exemption) Regulations, 2006.

(2) These regulations shall come into force on the 1st January, 2007.

Interpretation. Cap. 487.

2. Any reference in these regulations to the Act is a reference to the Insurance Intermediaries Act, and the provisions of article 2 of the Act shall also apply to these regulations.

Exemptions of persons carrying on insurance intermediaries activities from the provisions of the Insurance Intermediaries Act.

3. A person carrying on insurance intermediaries activities in relation to contracts of insurance shall be exempted from the requirement of registration or enrolment under the Act, if the following conditions are satisfied:

(a) the contract of insurance is of such a nature that the only information that a person is required to provide in relation to the contract is the cover provided by the contract;

(b) the contract of insurance is not a contract of long term business of insurance;

(c) the contract of insurance is complementary to the product or service supplied by the person, where such contract covers:

(i) the risk of breakdown, loss of, or damage to, goods supplied by that person; or

(ii) damage to or loss of baggage and other risks linked to the travel booked with that person, even if the contract of

insurance covers long term insurance or liability risks, provided that the cover for long term insurance or liability risks is ancillary to the main cover for the risks linked to that travel, commonly referred to as "travel risks";

(d) the contract of insurance does not cover any liability risks, except in the case of a contract which covers "travel risks", where the cover for liability risks is ancillary to the main cover provided by the contract;

(e) the principal professional activity of the person is not that of carrying out insurance intermediaries activities; and

(f) the amount of the annual premium of the contract of insurance does not exceed 500 Euro and the total duration of the contract of insurance, including renewals, does not exceed five years.

Activities not amounting to insurance intermediaries activities.

4. The following activities shall not amount to insurance intermediaries activities:

(a) the provision of information on an incidental basis in the context of another professional activity where the purpose of the activity is not to assist the potential policyholder or policyholder in concluding or performing an insurance contract;

(b) the management of claims of an insurer on a professional basis;

(c) loss adjusting and expert appraisal of insurance claims.

Objective.

5. The purpose of these regulations is to implement the relevant provisions of Directive 2002/92/EC of the European Parliament and of the Council of 9 December 2002 on insurance mediation which shall be interpreted and applied accordingly.

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