

L.N. 129 of 1989

**INSURANCE BUSINESS ACT, 1981**  
**(ACT No. XVII OF 1981)**

**Life Insurance (Statutory Notice) Regulations, 1989**

IN exercise of the powers conferred by section 25 of the Insurance Business Act, 1981, the Minister of Finance has made the following regulations:—

1. These regulations may be cited as the Life Insurance (Statutory Notice) Regulations, 1989, and shall come into force on the 1st January, 1990. Citation and commencement.

2. In these regulations, unless the context otherwise requires — Interpretation.

“contract of life insurance” means a contract of insurance, by which an insurer agrees, for a consideration, to pay a sum of money or other consideration upon the happening of the death of an individual (not being a death occasioned solely as a result of an accident or of a sickness specified in the policy of insurance) or the happening of any contingency dependent upon human life;

“insurer” means any company carrying on the business of insurance in Malta;

“party” means any part to a contract of insurance, whether or not such contract has been entered into;

“term insurance” means a contract of life insurance which provides for the payment by the insurer of a sum of money or other consideration upon the happening of death within a term which is specified in the contract, and which is not extendible by any of the parties thereto.

3. (1) No insurer shall enter into a contract of life insurance, unless that insurer serves upon the other party a statutory notice in relation to that contract either prior to the conclusion of such contract or at the time when the contract is entered into. Statutory notice.

(2) A statutory notice is a notice which —

(a) contains such matters (and no others) and is in the form set out in Schedule 1 to these regulations, and complies with the requirements specified in the following paragraphs of this regulation; and

(b) has annexed to it a form of notice of cancellation as set out in Schedule 2 to these regulations.

(3) A statutory notice shall be made out in the Maltese and English language.

(4) The statutory notice shall be easily legible and shall, as nearly as practicable, be a reproduction of that set out in Schedule 1 (and in so far as it relates to the notice of cancellation, that set out in Schedule 2) to these regulations, whether as respects size, colour, print, the use of capitals or bold lettering and other means of emphasis.

(5) For the purpose of paragraph (1) of the form set out in Schedule 1 the reference to a name shall be deemed to include a reference to the description or title of the person concerned.

(6) An insurer who contravenes any of the provisions of this regulation shall be guilty of an offence and shall be liable, on conviction, to a fine (*multa*) of not less than 100 Maltese liri but not exceeding 500 Maltese liri; but, without prejudice to regulation 4 (2) of these regulations, no contract of insurance shall be invalidated by reason of the fact that the insurer has contravened this regulation in relation to that contract.

(7) Paragraph (1) of this regulation shall not apply to —

(a) any contract of life insurance concluded before the coming into force of these regulations;

(b) contracts of life insurance for which the proposer is not an individual;

(c) contracts of life insurance for which the proposer, or, if there is more than one proposer, at least one of the proposers is neither a person on whose life the contract is made nor the spouse or minor child of such a person;

(d) contracts of life insurance into which the proposer is prior to the proposal 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 where the credit or loan facility is to be granted by an individual;

(e) contracts of life insurance under which the benefits payable are secured by payment of a single premium;

(f) contracts of term insurance.

Notice of  
cancellation.

4. (1) A person upon whom a statutory notice has been served by an insurer in relation to any contract to which regulation 3 (1) applies, may, within a period of fifteen days beginning from the date on which such notice has been served, serve on the insurer a notice of cancellation which complies with paragraph (3) of this regulation.

(2) A person to whom an insurer ought to have, but has not, served a statutory notice in relation to any such contract as aforesaid may, before the lapse of one year beginning from the date of contract, serve a notice of cancellation on the insurer. If, however, the insurer

serves a statutory notice upon such person in relation to that contract before such latter person has served a notice of cancellation under this paragraph, then, without prejudice to his right to serve a notice of cancellation under paragraph (1) of this regulation, the right of such latter person to do so under this paragraph shall cease.

(3) A notice of cancellation may, but need not, be in the form annexed to the statutory notice, and shall have effect if, however expressed, it indicates the intention of the person serving it to withdraw from the transaction in relation to which the statutory notice was or ought to have been served. Save as aforesaid, the requirements applicable to the statutory notice shall *mutatis mutandis* apply to a notice of cancellation.

(4) Where a person serves a notice of cancellation, then —

(a) if at the time when the notice is served the contract has been entered into, the notice shall operate so as to rescind the contract;

(b) in any other case, the service of the notice shall operate as a withdrawal of any offer to enter into the contract which is contained in, or implied by, any proposal made to the insurer by the person serving the notice of cancellation and as notice to the insurer that any such offer is withdrawn.

(5) Where a notice of cancellation operates to rescind a contract or as the withdrawal of an offer to enter into a contract —

(a) any money which the person serving the notice has paid in connection with the contract (whether by way of premium or otherwise, and whether to the insurer or to a person who is the agent of the insurer for the purpose of receiving the money) shall be recoverable from the insurer by the person serving the notice;

(b) any benefit under the policy which the insurer has paid to the person serving the notice shall be refunded by such person to the insurer.

5. (1) For the purpose of regulation 3 (1), a statutory notice shall be deemed to be served on the other party if it is sent to such party by registered post at the address specified on the proposal form.

Serving of  
statutory notice  
and/or notice  
of cancellation.

(2) For the purpose of regulation 4, a notice of cancellation shall be deemed to be served on the insurer if it is sent by registered post to the person specified on the statutory notice at the address specified also thereon.

(3) Notwithstanding the provisions of paragraphs (1) and (2) of this regulation, a statutory notice or a notice of cancellation, as the case may be, may be served on the other party, or the representative of the other party, by any other manner whatsoever:

Provided that, other than serving by a judicial manner or registered post, the party receiving the notice shall sign the receipt of

acknowledgement which has to indicate the date of signature and surrender such receipt to the party serving the notice.

(4) For the purpose of these regulations, the date on which a statutory notice or a notice of cancellation, as the case may be, shall be deemed to be served on the other party —

(a) when served by registered post:

(i) in respect of a statutory notice, shall be the first working day following the day of posting; and

(ii) in respect of a notice of cancellation, shall be the day of posting; and

(iii) when served by any other manner, save a judicial manner, shall be the date on the receipt of acknowledgement.

## SCHEDULES

### SCHEDULE 1

(Regulation 3)

#### STATUTORY NOTICE

#### IMPORTANT — READ THIS NOTICE CAREFULLY

STATUTORY NOTICE RELATING TO CONTRACTS OF LIFE INSURANCE ISSUED IN COMPLIANCE WITH THE PROVISIONS OF THE LIFE INSURANCE (STATUTORY NOTICE) REGULATIONS, 1989.

To: .....

.....  
(Name and address of proposer)

(This notice does not form part of the contract to which it relates. The terms and conditions of the contract will be set out in the policy document).

#### YOUR RIGHT TO CHANGE YOUR MIND

1. You have proposed entering into a contract of life insurance with

.....  
.....  
(name and address of the insurer with whom the contract is being entered into).

2. On entering into this contract you are undertaking to pay premiums in return for which you will become entitled to receive benefits payable in circumstances set out in the policy.

3. It is therefore important for you to be sure that the contract meets your needs and that you meet the obligations of the contract.

4. The law gives you 15 days beginning from the day on which you are served with this notice to consider the matter again and, if you so wish, to withdraw from the transaction.
5. If you wish to go ahead with the transaction you should do nothing with the attached notice of cancellation. But if you wish to withdraw and to have back the money you have paid to the insurer or his representative in connection with the contract, you should serve notice of cancellation (either on the form attached to this notice or otherwise in writing to the same effect) to the insurer whose particulars are given in paragraph 1 of this notice within the period of 15 days.
6. If you have been served with this notice by hand, you are asked to acknowledge its receipt by signing the sub-joined form hereunder on a duplicate copy of this notice.

.....  
(Signed)

.....  
(Name in block capitals)

.....  
(Office)

**MAKE SURE THAT YOU KEEP THIS NOTICE AND THAT YOU ONLY RETURN A COPY THEREOF, DULY SIGNED AND DATED, TO THE PERSON WHO HAS SERVED IT ON YOU.**

.....  
**RECEIPT**

I, the undersigned, hereby declare that I have been served with the Statutory Notice relating to the contract of life insurance, of which the above is a copy.

.....  
(Signed)

.....  
(Name in block capitals)

.....  
(Date)

## SCHEDULE 2

(Regulation 3)

## NOTICE OF CANCELLATION

IMPORTANT — THIS NOTICE, IF MADE USE OF, MAY BE SERVED  
BY HAND, BY YOU OR BY SOMEONE ELSE ON YOUR BEHALF,  
OR BY REGISTERED POST

(To be returned only if you want to cancel the contract)

.....  
\* (Contract reference or code number)

.....  
\* (Name of insurer)

.....  
\* (Address of insurer)

I, the undersigned, hereby give notice that I have decided not to proceed with this  
contract of life insurance and that I request the return of the money paid to you or to  
your representative in connection with the said contract.

.....  
(Signed)

.....  
(Name in block capitals)

.....  
(Address)

\* (To be filled in by Insurer)

## RECEIPT

I, the undersigned, hereby acknowledge receipt of the Notice of Cancellation  
relating to the contract of life insurance reference/code number .....  
(insert number)

proposed by .....  
(name of proposer)

.....  
(Signed)

.....  
(Name in block capitals)

.....  
for (Name of Insurance Company/Agency)

.....  
(Date)