


Guidelines on the Compilation & Submission of the Conduct Related Data Return for Insurance Undertakings



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INTRODUCTION

The purpose of this document is to provide clarifications on how to compile and submit the Conduct Related Data Return ('Return').

The document is structured in the following manner:

- Section 1: General Information;
- Section 2: Conduct related data survey sheets;
- Section 3: Concluding remarks.

This document shall be consulted together with the Conduct-Related Data Return for Insurance Undertakings Glossary, available on the MFSA website via this [link](#).

SECTION 1: GENERAL INFORMATION

1.1 APPLICABILITY

The Return has to be submitted by persons authorised to carry on the business of insurance under the Insurance Business Act (Cap. 403) ('Insurance Undertakings'), including a European Insurance Undertaking which has established a branch in Malta in terms of the European Passport Rights for Insurance and Reinsurance Undertakings Regulations (Legal Notice 399 of 2015) with the exception of undertakings whose business is restricted to captive or reinsurance. In case of co-insurance, data has to be reported only by the leader. Co-insurers are expected to coordinate between themselves prior to the submission of the Return to ensure that no double reporting takes place.

1.2 REPORTING FREQUENCY

Insurance Undertakings are required to submit the Return on an annual basis, within 42 days after year end.

1.3 SUBMISSION

The Return is compiled via an MS Excel File. The file has been optimised to work on Microsoft Excel 2010 and later versions. The Return must be saved in the following format: Microsoft Excel Macro-Enable Worksheet (.xlsm) and it should be uploaded via the LH Portal, which can be accessed through the [following link](#).

1.4 USER ACCESS TO LH PORTAL

The appointed user of each respective Insurance Undertaking will receive the below notification, informing the individual that he/she has been granted access to the respective “Conduct Related Data Insurance” project on the Licence Holder Portal.

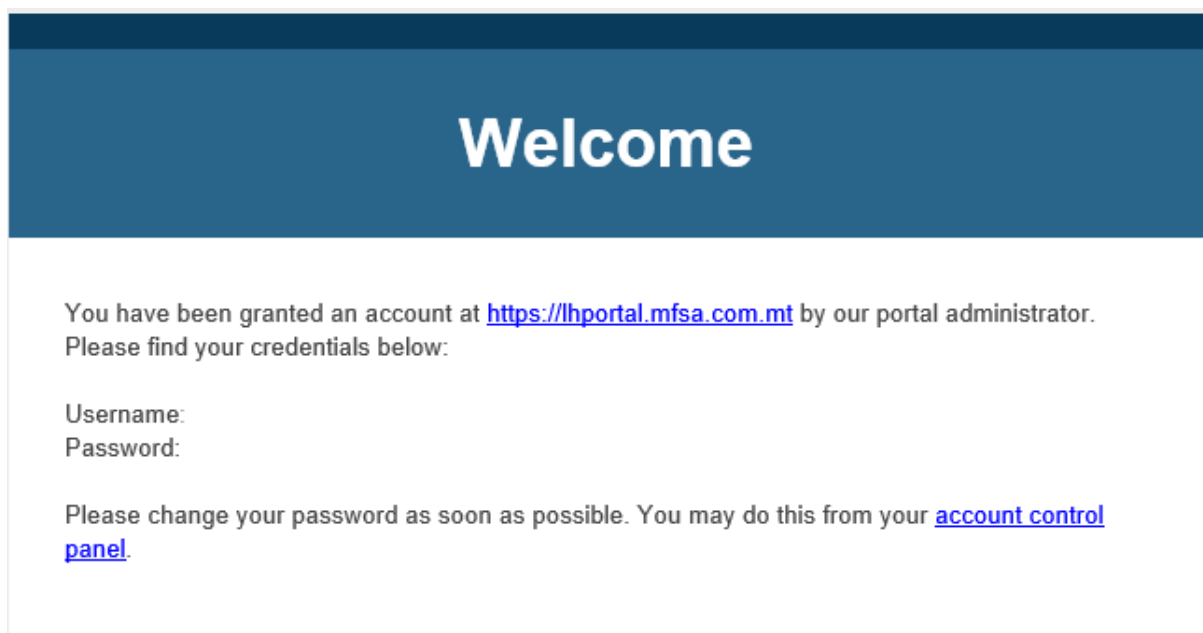


Figure 1 - New user confirmation email

Through the LH Portal website, the user will be prompted to enter the username and password provided or as amended by the user.

Enter your credentials below

E-mail

Password

Log in

Register

Figure 2 - Login page

1.5 UPLOADING OF FILES ON LH PORTAL

Step 1: The user has to click on the “File Uploads” icon, as indicated below in order to proceed to the next webpage.

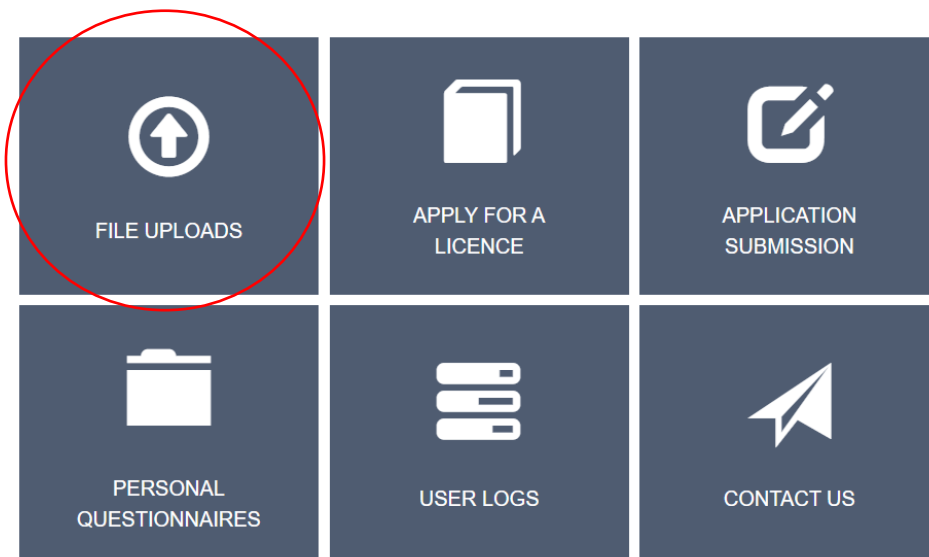


Figure 3 - LH Portal

Step 2: On the left-hand side the user has to choose the applicable Insurance Undertaking and the project type. For the submission of the Conduct-Related Data Return, the user shall select the project “Conduct Related Data Insurance”.

File Uploads

Use the feature below to upload files to the MFSA server. It is important that all file names are in the appropriate convention.

Licence Holder

Project: Conduct Related Data Insurance

Files: Choose File No file chosen

+ Add

Upload File(s)

Figure 4 - LH Portal, File Uploads

Step 3: On the right-hand side of the webpage, the user will be able to view the required naming conventions guidelines for the documentation that needs to be uploaded. For full details on the naming convention specifics, please refer to Section 1.6 below.

Step 4: The user should then click the “add” button to add a maximum of 3 ZIPPED (.ZIP) files simultaneously amounting to a total of 15Mb and then click the “upload file(s)” button to upload the file.

Subsequently the registered user will get a “File/s successfully uploaded” system notification at the bottom of the webpage as well as an e-mail confirming that the respective ZIP file has been uploaded successfully.

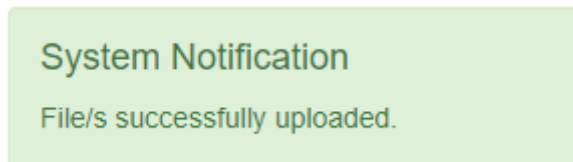


Figure 5 - LH Portal, confirmation

The user will also receive a notification via email, confirming the receipt of the file/s submitted.

Notification

New Files Uploaded

██████████ has uploaded the following files for project Conduct Related Data Insurance and Licence Holder ██████████:

██████_MAR2019_Insurance

Figure 6 - Email confirmation

IMPORTANT: If such notification is not received, one needs to access the LH Portal using the login details used when registering to the LH Portal and check whether the project “Conduct Related Data Insurance” is available in the “File uploads” tab. If this is not the case, send an email to financialpromotion@mfsa.mt.

1.6 FILE NAMING CONVENTION

The following file naming convention should be used for the submission of the Return: LICENCEHOLDERCODE_MMMYYYY_Insurance

where:

- LICENCEHOLDERCODE: letter identification-code assigned to the Insurance Undertaking. This refers to the field ‘Identification’ in terms of data held on the Authority’s website under the section ‘[Financial Services Register](#)’;
- MMM: the first 3 digits of the month of submission. For example, for December, the MMM is DEC;
- YYYY is the full 4-digits number of the respective referenced year.

SECTION 2: CONDUCT RELATED DATA SURVEY SHEETS

2.1 COVER SHEET

The first page contains general information regarding the Insurance Undertaking ('Company' or 'Entity'). The Entity is required to include all of the following information:

1. Full legal name of the Company;
2. Licence Holder Code, meaning the identification code provided by the Authority (which can be found on the Entity page in the [Financial Services Register](#)). To note that this Code is different from the Company Registration Number or LEI;
3. Reporting period, meaning the respective referenced year;
4. Confirmation of the accuracy of the information submitted;
5. The Name and Surname of the Person confirming the accuracy of information and his/her role in the Company;
6. Designation of the person confirming accuracy of information (The Authority would require such person to be either the Compliance Officer and/or Director of the Company.);
7. E-mail address of the person confirming accuracy of information.

IMPORTANT: Prior to compiling the Return make sure that you compile the latest version, a copy of which can be downloaded through the MFSA website, via [this link](#) (Insurance Undertakings tab – Conduct-Related Data Reporting Requirements). Version edition can be checked at the end of the Cover Sheet.

Important!
Kindly note that the all the sheets of the Conduct Related Data Return must be compiled in full. Kindly include the relevant information as requested or N/A as relevant.

A Guidelines document to consult prior to compile this Return is available on the MFSA website via <https://www.mfsa.mt/our-work/insurance-supervision>

Version: December 2023

Figure 7 – Cover Sheet

2.2 FINANCIAL INNOVATION SURVEY

The aim of the Survey is to collect information on the usage of new technologies and financial innovations.

In **Question 1**, the Company is required to indicate whether one or more of the new technologies included therein was used during the reporting period. The Company shall also indicate in the relevant fields whether such technologies have been experimented at a concept stage as well as additional details about the technology being used. If “Other” was selected, the Company shall include additional information in **Question 1.1**.

In **Question 2** and **Question 3**, the Company is asked to indicate in which line of business and area of value chain the new technologies have been used and provide additional information in **Question 2.1** and **3.1** if applicable.

2.3 COMPLAINTS SURVEY

This survey seeks to collect data in relation to Complaints received by the Insurance Undertakings during the reporting period and is categorised by complaint cause and by insurance product categories. Kindly refer to the Glossary available on the [MFSA website](#) for further detail regarding what is deemed to be a complaint as well as further information regarding the complaint related to the service being offered and complaints related to the insurance product.

In the first 3 columns, the Insurance Undertaking shall indicate the number of new complaints received during the reporting period. The Insurance Undertaking is requested to indicate the number of new complaints received in Malta and in Other Jurisdiction. For the complaints received in Malta, the Insurance Undertaking is required to indicate separately the number of complaints lodged directly with the Insurance Undertaking and the number of complaints which were referred from the distributor¹. In relation to the complaints received in ‘Other jurisdiction’, the Entity should include those complaints lodged by consumers in relation to products sold outside Malta. In the case

¹ Kindly note that according to R.4.6.15 of the Conduct of Business Rulebook, if the complaint is received by the distributor, the distributor has to inform the complainant that he/she needs to lodge that complaint with the Insurance Undertaking. In the column, the Insurance Undertaking should report the number of these complaints referred by the distributor.

the Entity sold policies only outside Malta, then only this column should be filled in accordingly.

In the last column, the Insurance Undertaking is required to report the number of complaints which were reported to the Office of the Arbiter for Financial Services during the reporting period. If no new complaints were received, the applicable rows should be filled in with "0".

In the box below the first table, the Insurance Undertaking is required to provide a *breakdown analysis* in relation to: i) Complaints by cause indicated under 'Other' (including information on all the causes of the complaints indicated under 'Other'); ii) Complaints referred from the distributor (including information on the type of distributor) (iii) Complaints received in Other jurisdiction (including information on the countries in which the complaints were received), (iv) any other relevant information that helps explaining the numbers.

In this section, reference to breakdown analysis shall mean to provide with detailed information by indicating the causes of complaints included under "Other", the countries which were captured in the other jurisdiction column as well as the type of distributor from which the complaints have been received.

Whilst in the first table, the Company is required to indicate the complaints by complaint cause, Table 2 seeks to gather further information on the insurance products to which such complaints relate to. Also in this case, the Insurance Undertaking is required to provide a *breakdown analysis* in a similar way as explained above.

Kindly note that for completeness sake, we would need all the relevant parts of this sheet to be properly filled in and if not applicable the relevant cell must be marked with a "0".

Please note that the number of total complaints indicated needs to tally i.e. total number of complaints by complaint cause need to tally with total number of complaints by insurance products. The Company can provide any other useful information regarding the complaints received (for example nature of the complaint, date received and any other useful information regarding the complaint) in the comments box below each table.

Table 3 seeks to gather data on causes of complaints against the type of the products. The Company is required to include information on Compliant about causes vis-a-vie products.

In **Question 4** the Company is required to provide in not more than 100 words two practical examples of the most common type of consumer complaints received during the reporting period (one for life and one for non-life as applicable). This field should be marked as 'N/A' if the Company did not receive any complaints during the reporting period or the Company is reporting information for the first time (e.g. in such case where it is recently licenced)

2.4 SALES DATA SURVEY

The purpose of this Survey is to collect information regarding the insurance products sold by the Insurance Undertakings during the reporting period. The Company is requested to provide data in relation to both Life and Non-Life Insurance products. The Entity is required to report in relation to the business, written both in Malta and overseas. Furthermore, the data has to be reported in *Euro*.

In the **Question 1** the Insurance Undertaking shall indicate the number of policies sold during the reporting period. In case where the Company did not sell any of the policies referred to a specific category, then it shall indicate "0" in the relevant cell. In relation to the last field the Company should report the total number of policies sold in Malta during the reporting period.

In **Question 2** and **3**, the Company is asked to provide a further breakdown of the number of insurance policies per type of product and distribution channel, distinguishing between life insurance policies and non-life insurance policies.

In **Question 2**, the Company is required to indicate the number of life insurance policies sold during the observed period and the gross premium written for each distribution channel used during the reporting period. If the Company indicates that it has sold "Other life insurance", then it is required to provide more information in the box below (**Question 2.1**) for example the type of policies being captured under the Other life Insurance policies (the information needs to be reported separately for each distribution channel). The same procedure shall be followed in relation to Non-Life Insurance policies in **Question 3** and **3.1**.

In **Question 4**, the Company is required to report the number of Group insurance policies sold during the reporting period both new and renewals. If no policies were sold, the Company should include "0" or "N/A" as applicable.

The Company should indicate the number of Group Life, Group Health, Group Personal Accident, Group Travel, Group Motor policies sold. The Company can also report Other Group policies in the related field, providing more information in **Question 4.1, as applicable**. A breakdown per Corporate Clients and Bank clients should be provided.

In **Question 5**, the Company is required to indicate the number of voluntarily surrendered policies for the Life Insurance Policies. ***Voluntarily surrender*** should be interpreted as the situation which occurs when a consumer voluntarily surrenders the policy to access the capital accumulated. In the table the Company should provide a breakdown of the policies surrendered within 1 year, between 1 and 3 years, between 3 and 5 years, after 5 years from the inception. If the Entity indicates that it had surrendered policies in relation to "Other life insurance", then it is required to provide more information in **Question 5.1**, as well as any other additional information.

In **Question 6**, the Entity is required to indicate the number of direct online sales (in terms of number of contracts) and related gross written premium. In this case, the Company is required to provide data separately for each reporting quarter. The ***direct online sales*** should include those sales happening solely via web-portals, emails and apps of the Insurance Undertakings. If the Company did not have direct online sales then the relevant cells should be filled in with "0". In **Question 6.1** the Company is required to provide more information in relation to the number of policies indicated in "Other life insurance" and "Other non-life insurance" (if applicable). Furthermore, the Company shall indicate the reasons why a change in the direct online sales (if applicable).

With reference to **Question 7**, the Company is asked to indicate in which manner the *means of communications* has changed over the reporting period when compared to the previous. In **Question 7.1** the Company is required to provide more information on the means of communications indicated under "Other" (if applicable).

In **Questions 8** and **9** the Company is required to provide information on how the demand and/or offer of the specific insurance product changed during the reporting period, compared with the previous year. The Company should include N/A if not applicable or there is no information available.

In **Question 10**, the Company shall report information regarding *market developments observed during the reporting period* in respect of the demand for the insurance products, e.g. change in demand for certain policies, increase or decrease in

surrendered policies (where applicable), etc. The Company should include N/A if not applicable or there is no information available.

In **Question 11** the Company is required to report whether the senior management receive commission on business introduced. In question **11.1** the Company should report any additional information on the remuneration system, as applicable.

NOTE: The *run-off policies* are not to be reported.

2.6 CLAIMS DATA SURVEY

The purpose of this Survey is to collect information on claims settled during the reporting period, in relation to non-life policies.

In **Question 1**, the Company should report information on whether the claims were partially paid or rejected. In relation to the claims partially paid, the information should be reported only with respect to Accident&Health Insurance and Household Insurance. In this case, the Company should provide a breakdown indicating the percentage of payment (up to 25%, between 25%-50%, between 50%-75%, Over 75%). In respect of the percentage of claims paid, the Excess should not be considered as part of the calculation.

This section applies only to payments already carried out upfront by the policyholder. Reserves/estimates or payments directed to the third-party service providers are excluded from this section. Therefore, the calculation should be based on the amount presented by the policyholder vis-a-vis the actual reimbursement payment made by the insurance undertaking.

Furthermore, all claims paid during the reporting period should be reported irrespective of when these were reported to the insurance undertaking.

In **Question 2**, the Company should report the number of claims settled at the end of the reporting period, indicating when the claims were resolved (within 30 days, 90 days, 180 days, 365 days, over 365 days) since the claim was received. Furthermore, the Company should report information on the number of outstanding claims as at the end of the reporting period.

2.7 PRODUCTS SURVEY

The aim of this Survey is to collect information on the products available in the product catalogue of the Company as at the end of the reporting period.

In particular, in Question 1 the Company should include a list of products available in the product suite including the following information:

- Insurance category;
- Commercial name of the product;
- Date of launch of the product;
- Date of last significant change/adaptions;
- Date of last product review;
- Whether the products has ESG Features.

With respect to Unit Linked and With Profits products only, the Company should report a number of sustainability related information, in particular:

- Number of underlying funds
- Number of underlying funds classified as per art.6 of SFDR²;
- Number of underlying funds classified as per art.8 of SFDR;
- Number of underlying funds classified as per art.9 of SFDR.

The table included in Question 1 includes a limited amount of rows. In case the insurance undertaking requires additional rows, it is kindly requested to contact financialpromotion@mfsa.mt.

In **Question 2** the Company should report information on whether it is in a position to provide advice, with a breakdown per type of life insurance product and for distribution channel (direct business or intermediaries). If the Company does not directly distribute to retail clients long term business, it should report N/A.

In Question 2.1, the Company should provide more information on the policies indicated as "Other Life Insurance", if applicable.

2.8 PASSPORTING

Insurance Undertakings are required to report on the extent of business generated on a cross-border basis.

The Company is required to report relevant information on the business generated outside Malta during the reporting period, as result of the exercise of the European right in terms of the European Passport Rights for Insurance and Reinsurance Undertakings

² REGULATION (EU) 2019/2088 – Sustainable Finance Disclosure Regulation

Regulation (Legal Notice 399 of 2015). In the affirmative, the Company shall provide the number of clients to which the insurance products have been sold during the reporting period.

In the first question of the Survey, the Company shall select N/A if it is not authorised to provide its services on a cross-border basis in terms of the European Passport Rights for Insurance and Reinsurance Undertakings Regulation (Legal Notice 399 of 2015). The Company shall include “No” if authorised but did not offer its services outside Malta during the reporting period. In both cases, the rest of the sheet can be left blank.

2.9 SUSTAINABLE FINANCE

This Survey aims to collect sustainability related information.

Question 1 is only applicable to companies under the scope of the SFDR. If not, select N/A and skip to question 3.

In **Question 1**, the Company should indicate whether the Company has updated its website sustainability disclosures in terms of the SFDR Regulation during the reporting period. In **Question 1.1**, the Company should provide information on the salient changes made on the website disclosures, if it replied “Yes” in Question 1. If the Company replied “No” in Question 1, then in Question 1.1 it should report the reason as to why no changes were made.

NOTE: Questions 1 and 2 apply to Insurance Undertakings falling under the scope of the SFDR. If the Company is not subject to SFDR, then it should report N/A in question 1 and 2.

In **Question 3**, the Company should indicate whether it has carried out any marketing campaigns, promotions or advertising with ESG elements during the reporting period.

If Yes, the Company should provide a description of the main initiatives carried out in Question **3.1**.

NOTE: Question 3 applies to all Insurance Undertakings.

SECTION 3: CONCLUDING REMARKS

This Guidance Document provides Insurance Undertakings with additional guidance on the information to be included in the Return. It is very important that the person confirming accuracy checks and ensures that the information submitted to the Authority is correct and complete. In particular, all the sheets of the Conduct Related Data Return must be compiled in full, and all the relevant information included (or N/A as relevant).

In case of any queries, do not hesitate to contact us via financialpromotion@mfsa.mt.