

**L.N. of 2017**

**INSURANCE DISTRIBUTION ACT  
(CAP. 487)**

**Insurance Distribution (Exemption) Regulations, 2017**

IN exercise of the powers conferred by article 3(4) of the Insurance Business Act, the Minister for Finance, after consultation with the Malta Financial Services Authority, has made the following regulations:-

Citation, scope  
and commencement.

1. (1) The title of these regulations is the Insurance Distribution (Exemption) Regulations, 2017.

(2) The purpose of these regulations is to transpose and implement Articles 1(3), 1(4) and 2(2) of the Insurance Distribution Directive, which shall be interpreted and applied accordingly.

(3) These regulations shall come into force on the [ ].

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

Exemptions of persons  
carrying out ancillary  
insurance  
intermediaries  
activities from the  
provisions of the  
Insurance  
Distribution Act.

3. A person carrying out ancillary insurance intermediaries activities in relation to contracts of insurance shall be exempted from the requirement of enrolment in terms of article 43E of the Act, if all the following conditions are satisfied:

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

(i) the risk of breakdown, loss of, or damage to, the good or the non-use of service supplied by that person; or

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

(b) without prejudice to paragraph (c), the amount of the premium of the contract of insurance does not exceed 600 Euro calculated on a *pro rata* annual basis; and

(c) notwithstanding paragraph (b), where the contract of insurance is complementary to a service referred to in paragraph (a), and the duration of that service is equal to, or less than, three months, the amount of the premium paid, per person, does not exceed 200 Euro.

Requirements applicable to authorised undertakings appointing exempt ancillary insurance intermediaries.

4. (1) An authorised insurance undertaking or an enrolled insurance agent, which has appointed and registered an ancillary insurance intermediary which, pursuant to regulation 3 of these regulations, is exempted from the requirement of enrolment in terms of article 43E of the Act, shall require such ancillary insurance intermediary to comply with the following requirements:

(a) make information available to the client, prior to the conclusion of the contract of insurance, about its identity and address, and about the procedures allowing clients and other interested parties to lodge complaints and the arrangements for handling complaints concerning contracts of insurance by such undertaking or agent;

(b) have appropriate and proportionate arrangements in place to comply with information and conduct of business requirements set out in Conduct of Business Rules transposing Articles 17 and 24 of the Insurance Distribution Directive, and to consider the demands and needs of the client before the proposal of the contract; and

(c) provide to the client, prior to the conclusion of the contract of insurance, the insurance product information document, referred to in Conduct of Business Rules transposing Article 20(5) of the Insurance Distribution Directive.

(2) The provisions of article 43E(13) of the Act shall apply *mutatis mutandis* to an authorised insurance undertaking or an enrolled insurance agent which has appointed and registered an ancillary insurance intermediary exempt from enrolment pursuant to regulation 3 of these regulations.

Activities not amounting to insurance or reinsurance distribution activities.

**5.** The following activities shall not amount to insurance distribution activities or reinsurance distribution activities:

(a) the provision of information on an incidental basis in the context of another professional activity where:

(i) the provider does not take any additional steps to assist the potential policyholder or policyholder in concluding or performing a contract of insurance;

(ii) the purpose of that activity is not to assist the client in concluding or performing a contract of reinsurance;

(b) the management of claims of an authorised insurance undertaking or of an authorised reinsurance undertaking on a professional basis;

(c) loss adjusting and expert appraisal of insurance and reinsurance claims;

(d) the carrying on of activities which are strictly limited to effecting introductions either by means of:

(i) the mere provision of data and information on potential policyholders to insurance intermediaries or reinsurance intermediaries enrolled under the Act, authorised insurance undertakings or authorised reinsurance undertakings; or

(ii) the mere provision of information about insurance or reinsurance products, insurance intermediaries or reinsurance intermediaries enrolled under the Act, authorised insurance undertakings or authorised reinsurance undertakings, to potential policyholders,

where the provider of such information does not take any additional steps to assist in the conclusion of a contract of insurance or a contract of reinsurance;

Provided that, the activities referred to in paragraph (d) are carried out in accordance with the conditions set out in Insurance Distribution Rules made for this purpose.

Insurance Distribution  
Rules and Conduct of  
Business Rules.

**6.** (1) For the better carrying out of these regulations, the competent authority may, from time to time, issue Insurance Distribution Rules and Conduct of Business Rules.

(2) Such Insurance Distribution Rules and Conduct of Business Rules may contain such incidental, supplementary and consequential provisions as appear to the competent authority to be expedient for the purposes of these regulations.

Revocation of  
the Insurance  
Intermediaries  
(Exemption)  
Regulations, 2007.

**7.** The Insurance Intermediaries (Exemption) Regulations, 2007, hereinafter referred to as "the revoked regulations", are hereby revoked.

S.L.487.05

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