

**MFSA**

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MALTA FINANCIAL SERVICES AUTHORITY

**Consultation Document**

**Insurance Intermediaries Rule 25 of 2014**

**[MFSA REF: 04/2014]**

**3rd March 2014**

**Closing Date: 4<sup>th</sup> April 2014**

**Note:** The documents circulated by the MFSA for the purpose of consultation are in draft form and consist of proposals. Accordingly these proposals are not binding and are subject to changes and revisions following representations received from Licence Holders and other involved parties. It is important that persons involved in the consultation bear these considerations in mind.

## **Note for Consultation**

### **Insurance Intermediaries Rule 25 of 2014**

#### **1. Purpose**

The MFSA is proposing to issue a new Insurance Intermediaries Rule 25 of 2014 entitled “Complaints-Handling by Insurance Intermediaries”. In this respect, we are attaching the draft insurance intermediaries rule to seek consultation prior to implementation.

#### **2. Background**

On the 27th November 2013, the European Insurance and Occupational Pensions Authority (EIOPA) published the [Guidelines on complaints-handling by Insurance Intermediaries](#) (“the Guidelines”). Since the Guidelines are high-level principles, they have been supplemented by a [Report on Best Practices by Insurance Intermediaries in handling complaints](#), (“the Report”) published by EIOPA on the same day, which provides examples of best practices and complement the Guidelines. The Guidelines have been incorporated in the proposed insurance intermediaries rule, whilst the Report has been incorporated in the Schedule of the proposed insurance intermediaries rule.

#### **3. Proposed new Insurance Intermediaries Rule 25 of 2014**

The Guidelines have been issued following the Guidelines on Complaints-Handling by Insurance Undertakings to address the current lack of EU rules on complaints-handling by insurance intermediaries, leading to different national approaches resulting in an uneven playing field. The Guidelines ensure that adequate levels of protection of policyholders by setting standards to which insurance intermediaries are expected to comply with when dealing with a complaint.

The Guidelines aim to provide guidance on appropriate internal systems and control for complaints-handling by insurance intermediaries by requiring intermediaries to have in place a complaints management policy and complaints management function. They also provide guidance on the provision of information and procedures for handling complaints. The insurance intermediaries rule requires insurance intermediaries to keep a record of the

number of complaints received, differentiated according to the class of business of insurance and the cause of complaint in order to be in a position to provide this data information on complaints and complaints-handling processes of the insurance intermediary upon request from the Authority.

The insurance intermediaries rule does not apply to a person enrolled in the Tied Insurance Intermediaries List to act on behalf of an authorised company (the “tied insurance intermediary”) who receives a complaint for which another insurance intermediary is responsible, and such tied insurance intermediary concerned is not permitted to handle the complaint in terms of the Tied Insurance Intermediary Agreement entered into with the authorised company.

#### **4. Contacts**

Any comments and feedback are to be addressed to the Insurance and Pensions Supervision Unit by email on [ipsu@mfsa.com.mt](mailto:ipsu@mfsa.com.mt). Interested parties are kindly asked to submit any comments in writing by not later than **Friday 4<sup>th</sup> April 2014**.

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MFSA Ref: 04/2014**