

L.N. of 2015

**INSURANCE BUSINESS ACT
(CAP. 403)**

Insurance Business (Exemptions) Regulations, 2015

IN exercise of the powers conferred by article 64 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.	<p>1. (1) The title of these regulations is the Insurance Business (Exemptions) Regulations, 2015.</p> <p>(2) The purpose of these regulations is to transpose articles 3, 5, 7, 9(1) and (2), 10(1) and 11 of the Solvency II Directive.</p> <p>(3) These regulations shall come into force on the [].</p>
Interpretation. Cap. 403.	<p>2. Any reference in these regulations to the Act is a reference to the Insurance Business Act, and the provisions of article 2 of the Act shall also apply to these regulations.</p>
Exemptions.	<p>3. The operations falling within this regulation shall not be considered as business of insurance for the purposes of the Act and, accordingly, a person carrying out the following operations shall be exempted from the requirement to obtain an authorisation in terms of article 7 of the said Act :</p> <p>(a) without prejudice to Article 2(3)(c) of the Solvency II Directive, insurance forming part of a statutory system of social security;</p>

	<p>(b) operations relating to general business of insurance in relation to:</p> <ul style="list-style-type: none"> (i) capital redemption operations; (ii) operations of provident and mutual benefit institutions whose benefits vary according to the resources available and in which the contributions of the members are determined on a flat-rate basis; or (iii) operations carried out by organisations not having a legal personality with the purpose of providing mutual cover for their members without there being any payment of premiums or constitution of technical reserves; <p>(c) mutual undertakings which carry on general business of insurance and which have concluded with other mutual associations an agreement which provides for the full reinsurance of the insurance policies issued by them or under which the accepting undertaking is to meet the liabilities arising under such policies in the place of the ceding undertaking. In such a case, the accepting undertaking shall not be exempted in terms of these regulations and shall accordingly be subject to the requirements of the Solvency II Directive;</p> <p>(d) in regard to long term business:</p> <ul style="list-style-type: none"> (i) operations of provident and mutual benefit institutions whose benefits vary according to the resources available and which require each of their members to contribute at the appropriate flat rate; (ii) operations carried out by organisations, other than undertakings referred to in Article 2 of the Solvency II Directive, whose object is to provide benefits for employed or self-employed persons belonging to an undertaking or group of undertakings, or a trade or group of trades, in the event of death or survival or of discontinuance or curtailment of activity, whether or not the commitments arising from such operations are fully covered at all times by mathematical provisions; (iii) organisations which undertake to provide benefits solely in the event of death, where the amount of such benefits does not exceed the average funeral costs for a single death or where the benefits are provided in kind; <p>(e) the activity of reinsurance conducted or fully guaranteed by the Government of Malta when such government is acting,</p>
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	for reasons of substantial public interest, in the capacity of reinsurer of last resort, including in circumstances where such a role is required by a situation in the market in which it is not feasible to obtain adequate commercial insurance cover.
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