

MFSA

MALTA FINANCIAL SERVICES AUTHORITY

Consultation Procedure

Proposals for Insurance Rules

Explanatory 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, inter alia, 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 Rules)

1. Purpose

The MFSA is issuing a Note for Consultation relating to a new proposed Insurance Rule entitled “Complaints Handling by Authorised Companies”. In this respect, we are attaching the draft insurance rule in order to seek consultation prior to implementation. This Insurance Rule will come into force on the **1st January 2013**.

2. The proposed Insurance Rule

2.1 On the 27th June 2012, the European Insurance and Occupational Pensions Authority (EIOPA) published [*Guidelines on Complaints-Handling by Insurance Undertakings*](#) (“the Guidelines”). The Guidelines were issued to address a current lack of EU rules on complaints-handling by insurance undertakings, leading to different national approaches resulting in an unlevel playing field, as well as, to ensure an adequate level of protection of policyholders by setting standards to which insurance undertakings are expected to comply with when dealing with a complaint.

2.2 The Guidelines, which are high-level principles, are addressed to competent authorities who are to ensure that all insurance undertakings comply with the Guidelines. The Guidelines aim to provide guidance on appropriate internal systems and control for complaints-handling by insurance undertakings by requiring undertakings 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 Guidelines also require insurance undertakings to provide to the MFSA complaints data in relation to the complaints they receive. An Annex has been attached to the proposed rule indicating the complaints data to be submitted by the insurance undertaking. This form is modelled on the current draft forms proposed by EIOPA.

2.3 Since the Guidelines are high-level principles, they have been supplemented by a [*Report on Best Practices by Insurance Undertakings in handling complaints*](#), published by EIOPA on the

same day, which provides examples of best practices and is complementary to the Guidelines. These have also been incorporated in the proposed Rule by means of a Schedule to the Rule.

2.4 Therefore, the new proposed rule has been drafted to incorporate the Guidelines and Report on Best Practices by Insurance Undertakings in handling complaints.

2.5 As a consequence, the MFSA is minded to amend article 6 of Insurance Rule 27 of 2009 - Insurers' Internal Controls, to provide that the requirements of Insurance Rule 27 are without prejudice to the requirements of the proposed new insurance rule on complaints handling.

3. Contacts

Interested parties are kindly asked to submit any comments which they may have in relation to the attached insurance rule in writing to the Insurance and Pensions Supervision Unit, by email on ipsu@mfsa.com.mt by not later than the **12 November 2012**.

Communications Unit
Malta Financial Services Authority
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