

Insurance Intermediaries Rule 23 of 2007

European Insurance Undertakings Applying for Enrolment of Persons in the Tied Insurance Intermediaries List

Rule pursuant to article 43 of the Act

1. (1) This Insurance Intermediaries Rule on European insurance undertakings applying for enrolment of persons in the Tied Insurance Intermediaries List (“this Rule”) is made by the Authority pursuant to, and for the purposes of, article 43 of the Act.

(2) This Rule shall come into force on the [] 2007.

Application

2. This Rule applies to a European insurance undertaking applying for enrolment in the Tied Insurance Intermediaries List of a person resident in Malta or having its registered office or head office in Malta to carry out tied insurance intermediaries activities on behalf of such undertaking.

Scope

3. The scope of this Rule is to determine those insurance intermediaries rules which contain the particulars, conditions and requirements which, European insurance undertakings seeking to appoint a person to carry out tied insurance intermediaries activities on its behalf, are required to comply with.

Insurance Intermediaries Rules applicable to the enrolment of persons by European insurance undertakings

4. A European insurance undertaking seeking to appoint a person to carry out tied insurance intermediaries activities on its behalf in Malta is required to:

(a) ensure that such person is a person which satisfies the criteria of fitness and properness as determined by Insurance Intermediaries Rule 2 of 2007 - Criteria of Fitness and Properness of Insurance Intermediaries;

(b) enrol such person with the Authority in accordance with Insurance Intermediaries Rule 17 of 2007 – Application for Persons to be Entered in the Tied Insurance Intermediaries List;

(c) ensure that the tied insurance intermediaries activities do not relate to business of insurance which is excluded in terms of Insurance Intermediaries Rule 18 of 2007 - Business of Insurance Not Subject to Tied Insurance Intermediaries Activities;

(d) where the European insurance undertaking intends to enter into a computer link arrangement, this arrangement satisfies the requirements of Insurance Intermediaries Rule 22 of 2007 - Computer Link Arrangements.

Professional Requirements

5. (1) Subject to paragraph (2) of this article, a European insurance undertaking seeking to be enrolled with the Authority applying for enrolment of a person in the Tied Insurance Intermediaries List is required to submit documentary evidence that the person holds a professional indemnity insurance covering the whole territory of the European Community or some other comparable guarantee against liability arising from professional negligence, for at least 1,000,000 Euro applying to each claim and in aggregate 1,500,000 Euro per year for all claims, unless such insurance or comparable guarantee is already provided by the European insurance undertaking on whose behalf the person will be acting or for which the person will be empowered to act or such undertaking has taken on full responsibility for the tied insurance intermediary's actions.

(2) For the purposes of satisfying the obligations arising under paragraph (1) of this article, the person may, in lieu of providing a professional indemnity policy, submit to the Authority a written undertaking from the European insurance undertaking on whose behalf it will be carrying out tied insurance intermediaries activities, in Malta, stating that the European insurance undertaking will undertake to meet any claims arising from any act or omission pertaining to a contract of insurance issued by it, or offered on its behalf, through the services of the person concerned.