

MFSA

MALTA FINANCIAL SERVICES AUTHORITY

Credit and Financial Institutions – General Insurance Business

In November 2002, the Malta Financial Services Authority (MFSA), as the Competent Authority responsible for the regulation and supervision of credit and financial institutions in terms of the Banking Act 1994 and the Financial Institutions Act 1994, had confirmed the policy, as directed by Government, limiting credit and financial institutions from undertaking insurance activities as an additional activity to those for which they were licensed, save for the activity of insurance sub-agency activities limited to the class of long term insurance business.

The MFSA is hereby revising this policy following consultations with Government, by allowing the extension of licences held by credit and financial institutions to act as tied insurance intermediaries in the Classes of general insurance listed below:

- Class 14 - *restricted to export credit contracts of insurance;*
- Classes 1, 2 and 16 - *restricted to payment protection contracts of insurance issued in relation to loan repayments.*

Accordingly, as from the 1st October 2006, the MFSA will be in a position to accept applications for enrolment in the Tied Insurance Intermediaries List of credit and financial institutions to carry on tied insurance intermediaries activities in the classes of general insurance restricted to the contracts of insurance indicated above.

The Insurance Intermediaries Act, 2006, (Act No. XII of 2006) which was recently enacted by the Parliament of Malta, and which will come into force on October 1, 2006 defines the activities of Tied Insurance Intermediaries. The Act was published in the Government Gazette on the 28th July 2006 (Supplement No. 17,947). Act No. XII of 2006 repeals the Insurance Brokers and Other Intermediaries Act (Cap. 404) and transposes the provisions of Directive 2002/92/EC of the European Parliament and of the Council of 9 December 2002 on insurance mediation.



Prof. J. V Bannister
Chairman

23.08.06