

# Conduct-Related Data Return for Insurance Undertakings

This document seeks feedback from the industry on the proposed Conduct-Related Data Return to be submitted by Insurance Undertakings

Ref: 02-2020

Date: 18/03/2020

Closing Date: 27/03/2020

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.

## 1.0 INTRODUCTION

Reference is made to the Circular issued by the Authority dated 6<sup>th</sup> January 2020 and the correspondence sent to the industry on the 14<sup>th</sup> February 2020 in relation to the submission of the complaints related data by Insurance Undertakings. In the Circular the Authority informed the industry that in the coming weeks it was going to issue the Conduct-Related Data Return (herein 'Return') for consultation with the relevant stakeholders.

## 2.0 SCOPE AND PURPOSE OF THE CONSULTATION

The Authority is hereby issuing a consultation document to the industry to allow stakeholders to comment, make suggestions and provide feedback in relation to the surveys included in the Return. Following feedback from the Insurance Undertakings, the Authority will publish the final version of the Return, a copy of which will be available on the MFSA website.

Going forward, Insurance Undertakings are being requested to submit the Conduct-Related Data Return on a quarterly basis, with the reporting deadline being six weeks after quarter end. For the first submission, as a one-off submission, Insurance Undertakings will be required to submit the conduct related data covering 2019 (full year). After that, the industry will need to submit the first Conduct-Related Data Return covering H1 of 2020 and then after such submission the industry will need to submit the Conduct-Related Data Return on a quarterly basis. The Authority will publish on its website the submission timetable indicating the upcoming reporting deadlines for 2020 and it will also issue a separate circular informing the industry of the upcoming submission.

The Return will include the following surveys:

- Complaints  
The survey will collect data in relation to complaints received by the Insurance Undertakings during the reporting period and shall be categorised by complaint cause and by insurance product categories. Insurance Undertakings will be required to report the number of complaints received during the reporting period and clearly distinguish between those received directly from consumers and those referred to them by the distributors. Furthermore, the Insurance Undertakings need to indicate the jurisdictions in which the product was sold.
- Complaints raised with the Office of the Arbiter for Financial Services Survey  
The purpose of this survey is to collect information regarding the complaints which were referred to the Office of the Arbiter for Financial Services. The survey contains two different tables: in the first one the Insurance Undertakings are required to include information on the complaints referred to the Office of the Arbiter for Financial Service and not yet resolved; whilst in the second table the Insurance Undertakings shall include information on complaints (from previous or current year) which were referred to the Arbiter and resolved during 2019.
- Complaints Trends Survey  
The purpose of this survey is to collect data on the trends identified in respect of the complaints when compared with the previous reporting period.

- Sales Data Survey  
The purpose of this survey is to collect information regarding the insurance products sold by the Insurance Undertakings during the reporting period. The Insurance Undertakings will be asked to indicate the number of policies sold and other information, e.g. sales trends, the distribution channels used and change in the demand.
  
- Passporting Survey  
The Insurance Undertakings will be requested to report on the extent of business generated on a cross-border basis in terms of number of retail clients and professional client and per country basis. For the purposes of the Conduct-Related Data Return, reference to professional clients shall mean a Client who possesses the experience, knowledge and expertise to make its own investment decisions and properly assess the risks that it incurs. For the purposes of services offered with respect to Insurance contracts, the term 'Professional Client' shall mean a person to whom, or on whose account, or to whose beneficiaries, a sum of money or other consideration is payable on the happening of a specified event under the following policies:
  - i. Employers' Liability
  - ii. Public Liability
  - iii. Products Liability
  - iv. Contractors All Risk
  - v. Combined Policies which can include Industrial All Risks, Business Machines, Goods in Transit, SME Policies and/or any of the abovementioned policies.

Reference to retail clients shall mean a client who is not a Professional Client.

### 3.0 CONSULTATION PERIOD

The Consultation is open to the industry until 27<sup>th</sup> March 2020. Industry participants are invited to send their feedback via email to [financialpromotion@mfsa.mt](mailto:financialpromotion@mfsa.mt).