

The Insurance Business Act and the Insurance Intermediaries Act

Insurance business is regulated by two separate but complementary laws, the Insurance Business Act (Cap. 403) and the Insurance Intermediaries Act (Cap. 487). These two Acts govern all relevant operations in this sector including insurers, reinsurers, insurance agents, insurance brokers, insurance managers and tied insurance intermediaries authorised or enrolled under the relevant Act. The MFSA is the competent authority responsible for administering the two Acts.

The legislation regulates both domestic and international insurance activities being carried out by companies authorised under the Insurance Business Act and insurance intermediaries enrolled under the Insurance Intermediaries Act. It provides for a highly competitive market operating within a legal framework meeting international standards. Maltese insurance legislation transposes European Union Directives which determine the provisions relating to, the taking-up and pursuit of direct insurance, reinsurance and the carrying out of insurance intermediaries activities. It provides for the regulation and supervision of different types of insurance companies, including companies carrying on affiliated insurance business (captives), protected cell companies, reinsurers and insurance intermediaries. It also provides for the redomiciliation of insurance companies, insurance management companies and insurance broking firms from recognised jurisdictions to Malta subject to the requirements of the Maltese insurance legislation.