

SUBSIDIARY LEGISLATION 403.11

**INSURANCE BUSINESS (COMPANIES CARRYING
ON BUSINESS OF AFFILIATED INSURANCE)
REGULATIONS**

3rd November, 2003

LEGAL NOTICE 334 of 2003, as amended by Legal Notice 288 of 2007.

1. The title of these regulations is the Insurance Business (Companies Carrying on Business of Affiliated Insurance) Regulations. Citation.

2. (1) In these regulations, unless the context otherwise requires - Interpretation.
*Amended by:
L.N. 288 of 2007.
Cap. 403.*

"the Act" means the Insurance Business Act;

"affiliated insurance company" means a company carrying on business of affiliated insurance;

"affiliated reinsurance company" means a company carrying on business of affiliated insurance restricted to reinsurance;

"the Authority" means the Malta Financial Services Authority established by article 3 of the Malta Financial Services Authority Act and appointed under article 3 of the Act to be the competent authority for the purposes of the Act; Cap. 330.

"business of affiliated insurance", means the business of a company authorised in terms of the Act, whose head office is in Malta and which carries on business of insurance restricted to risks originating with shareholders or connected undertakings or entities and includes business carried on by an affiliated reinsurance company;

"insurance rule" has the same meaning as is assigned to it by article 2 of the Act.

(2) Words and expressions which are also used in the Act shall in these regulations have the same meanings as in the Act.

3. The Authority shall, by an insurance rule, determine the shareholding or other connected relationships between undertakings whose risks can be insured by the affiliated insurance company or an affiliated reinsurance company. Shareholdings or other connected relationships between undertakings.
*Amended by:
L.N. 288 of 2007.*

4. (1) The Act and any regulations and insurance rules made thereunder shall apply to a company carrying on business of affiliated insurance, in the same manner and to the same extent, as they apply to a company whose head office is in Malta authorised under the Act, subject to the following provisions of this regulation. Application of the Act to companies carrying on business of affiliated insurance.
*Amended by:
L.N. 288 of 2007.*

(2) Article 7(7) of the Act shall apply as if for the period of six months prescribed therein there was substituted the period of three

months.

(3) Article 10(2) of the Act shall apply only to the extent that an affiliated insurance company or an affiliated reinsurance company may, with the approval of the Authority given in writing, appoint an insurance manager.

(4) Article 20(1)(b) and (c) of the Act shall not apply but an affiliated insurance company or an affiliated reinsurance company shall be required to provide a copy of its audited financial statements to any person applying for such copy and the company may charge such reasonable fees, for such copy.

(5) Subject to article 37 of the Act, where it is proposed to carry out a transfer of business of insurance where either the transferor or the transferee are companies carrying on business of affiliated insurance, the provisions of Part VIII of the Act shall apply subject to the following provisions of this subregulation:

(a) article 33(2) of the Act shall apply as follows:

- (i) paragraph (a) thereof shall not apply;
- (ii) paragraph (b) thereof shall apply to the extent only of requiring that a notice approved for this purpose by the Authority be sent by the transferor to every policyholder affected by the scheme and every other person who claims an interest in a policy included in the proposed transfer and has given notice of his claim to the transferor; and
- (iii) paragraph (c) thereof shall apply to the extent only of requiring that copies of a statement setting out particulars of the transfer and approved for this purpose by the Authority are available for inspection at the offices of the transferor and if the company has appointed an insurance manager, the offices of the said manager;

(b) article 35(3) of the Act shall apply as follows:

- (i) paragraph (a) thereof shall not apply; and
- (ii) paragraph (d)(i) thereof shall apply to the extent only of requiring that copies of the application and of the report mentioned in article 35(2)(a) thereof have been open to inspection at the offices of the transferor and transferee companies and if either one of the said companies has appointed an insurance manager, the offices of the said manager.

(6) Article 39(2)(a)(i) of the Act shall not apply.

(7) Articles 44 and 47 of the Act shall not apply.

(8) Article 48(2) of the Act shall not apply.

(9) Part XI of the Act shall not apply to an affiliated insurance company or an affiliated reinsurance company.

5. Every company which, immediately before the coming into force of these regulations, was authorised to carry on business of affiliated insurance under article 7 of the Act, shall, from the date of the coming into force of these regulations, be subject to the provisions of these regulations.

Transitory
provision.