Insurance Companies

Fully-fledged insurance companies use Malta as an entry point and write third-party business throughout Europe from Malta. Although Malta’s local insurance market is relatively small and concentrated, the country is fast developing itself as a centre for ‘direct writers’.

A Maltese insurance company authorised under the Insurance Business Act, with a head office in Malta, is entitled to write insurance business in any EU/EEA state in exercise of a European Right. Reinsurance may only be carried out if expressly authorised under the Insurance Business Act. Malta serves as an ideal base from which insurance companies can expand into the EU. Maltese insurance companies can write long-term business or general business of all classes.

Sophisticated telecoms infrastructure: Although an island at the centre of the Mediterranean, Malta has overcome its physical limitations by establishing one of the most advanced telecommunications networks in Europe.

Access to regional markets: Thanks to Malta’s strategic location, it offers access to Europe and the emerging markets of North Africa and the Middle East.

Classes of business:

- Life and Annuity
- Marriage and Birth
- Linked long term
- Permanent Health
- Tontines
- Capital Redemption
- Pension Fund Management
- Collective Insurance
- Social Insurance

Benefits of Direct Writing in Malta

Offices in a low-cost jurisdiction: The EU passporting regime allows insurance companies to establish themselves in any member state and offer cross-border services into any other EU country, provided they follow a simple notification procedure and observe local legislation.

Availability of highly qualified staff: As an established finance centre, Malta has an excellent pool of human resources, with many professionals having insurance-specific knowledge and qualifications.

Key Features of Insurance Companies in Malta

Corporate Form: Limited Liability Company (can also be set up as Protected Cell Company or Incorporated Cell Company)

Permitted Business: All classes, however, a company is not permitted to carry on long term business and general business unless:
- long-term business is restricted to reinsurance
- general business carried out by the company is restricted to accident and sickness classes

Licensing Timeframe: Six months

Redomiciliation allowed: Yes

Minimum Own Funds requirement:
- General Business: €2.5m or €3.7m, depending on class of business
- Long-term Business: €3.7m
- Insurance and Reinsurance, combined: €2.5 – €7.4m, depending on class of business

Own funds are to consist of:

- initial paid up share capital which must not be less than 50 per cent of the value of Own Funds requirement; cumulative preferential share capital, subordinated loans, retained profits, reserves other than reserves corresponding to the technical provisions and where applicable, the equalisation reserves and securities with no specified maturity date and other instruments including cumulative preferential shares.

Guarantee Fund: Greater of:
- 1) Minimum Guarantee Fund
- 2) the value of one third of the margin of solvency or Malta margin of solvency (as applicable).

Intercompany Loans: Allowed with approval from regulator the Malta Financial Services Authority.

Technical Provisions: Calculated in accordance with regulations modelled on EU directives.

Solvency Margin: Calculated in accordance with regulations modelled on EU directives.

Guarantee Fund: Greater of:

- 1) Minimum Guarantee Fund
- 2) the value of one third of the margin of solvency or Malta margin of solvency (as applicable).

Regulatory Fees: Authorisation application fees are one-time fees and non-refundable irrespective of whether the application is accepted or refused:
- Long term business: minimum fee of €5,000 plus €500 per class
- General business: minimum fee of €3,500 plus €300 per class

Continuance of Authorisation: Annual fee according to Schedule in the Insurance Business (Fees) Regulation.