Insurance Management & Administration Services

The strong growth of Malta’s insurance sector is attracting increasing numbers of insurance managers and service providers, who recognise the profitable environment the country has to offer. Today, reputable insurance managers rank Malta as one of the best insurance domiciles within the EU.

Insurance Managers

Insurance management companies assist in the application process for a licence as well as the management and operation of captives, protected cell companies or cells therein, third-party insurers and reinsurers. Insurance management companies require a licence from the Malta Financial Services Authority.

Insurance managers usually carry out the following functions:
• Assistance in feasibility studies
• Management of cells in cell companies
• Management of the insurance or reinsurance business, including premium and rate determination, underwriting, policy development, policy issuance and premium invoicing
• Accounting
• Cash management
• Risk management
• Claims handling;
• Company secretarial services
• Compliance services
• Any other back-office work

Insurance Intermediaries and Brokerage Companies

Insurance intermediaries carrying out activities in Malta are required to register with the Malta Financial Services Authority and prove they are fit and proper persons with the necessary qualifications and comply with the relevant legislation and regulation. Brokers and other intermediaries can also benefit from the European single passport, in much the same way as insurers, which has added to the appeal of Malta with European intermediaries seeking international growth in a competitive jurisdiction.

Benefits of Insurance Management and Administration Services in Malta:

- Brokerage or Insurance Management through Cells: Foreign insurance brokers or insurance managers may establish cells in a broker- or management-protected cell company providing services such as office support, administration, EU passporting, insurance management and broker expertise.
- Solid Outsourcing Infrastructure: A multilingual workforce and state-of-the-art telecoms make Malta the ideal location for the establishment of call centres for the outsourcing of claims handling or marketing functions.
- Cost-Efficient Location: Malta has a lower cost structure, and well-trained workers are widely available.

Non-EU, including US-based, intermediaries seeking to tap into the EU insurance market have also discovered the potential of the domicile. Brokers can benefit from Malta’s PCC legislation, for example by converting a brokerage firm into a PCC offering cells to other brokerage firms. This structure provides brokers based in other EU countries with an opportunity to set up an operation in a cost-efficient jurisdiction. The opportunity Malta offers is for the front-end business to continue to be carried out through the existing company, for instance in the UK, while all business could be passed through a cell in Malta to benefit from lower operational costs.
Key Features of Insurance Management Businesses

Regulated by: Insurance Intermediaries Act

Licensing Requirements: Insurance management companies are licensed and regulated by the Insurance Intermediaries Act. Depending on the contract with the insurance company, the management company requires own funds amounting to:

- if it holds no appointment: €1,164.69 which is the paid-up share capital in terms of the Companies Act, 1995
- €16,803 where acting for, or on behalf of, a company whose business is restricted to affiliated insurance
- €16,803 or 4 per cent of the annual gross premiums receivable whichever is the higher — where it holds an appointment which (i) excludes or does not include authority to enter into contracts of insurance on behalf of a company and/or (ii) includes authority to collect and hold premiums on behalf of a company
- €58,243.33 or 4 per cent of the annual gross premiums receivable, whichever is the higher — (i) where acting for, or on behalf of, a company whose business is not restricted to affiliated insurance and which appointment includes the authority to enter into contracts of insurance on behalf of the company; or (ii) where it holds an appointment from a company enrolled in the Brokers List.

An insurance manager holding an appointment is required to keep moneys held in a fiduciary capacity separate from its own monies and effect a fidelity bond. The insurance manager is also required to have in its favour a policy of professional indemnity insurance.

Insurance Management Company Regulatory Fees:

- Registration Fee of a person in the Managers Register: €175
- Enrolment of a Person in the Managers List: €1,200
- Appointment of a person in the Managers List: €650
- Enrolment of a cell company in the Managers List: €2,000
- Creation of a new cell within a cell company enrolled in the Managers List: €1,500

Annual supervisory fee of:

- a person in the Managers Register: €200
- a person (other than a cell company) in the Managers List: €750 and €450 per appointment
- enrolment of a cell company in the Managers List: €1,700
- Company Registration Fee (one off): €245 - €2,250 (depending on the company’s authorised share capital)