Reinsurance Companies

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Malta has welcomed some of the most respected names in the industry with its reputation gaining momentum as an ideal jurisdiction for risk and reinsurance solutions. With more companies seeking an EU base to serve their clients, Malta is becoming a destination of choice.

Spreading risk is at the core of insurance business and for insurance companies this involves also spreading their own risk. Reinsurance is about transferring the risks of insurance companies to third-party organisations, making it effectively ‘insurance for insurers’. Companies in Malta can either be authorised to carry out insurance and reinsurance activities or only insurance or reinsurance.

Benefits of Reinsurance in Malta

Wide range of attractive structures: Reinsurance can be provided through a stand-alone reinsurance company, reinsurance captive or cell company.

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 Reinsurance Companies

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

Permitted Business: Long-term business of reinsurance and general business of reinsurance

Licensing Timeframe: Six months, reduced to three months in respect to reinsurance protected cells.

Redomiciliation allowed: Yes

Own Funds requirement: €3.4m, or €1.2m if carried out through a captive and business is restricted to reinsurance.

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.

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

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

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

Financial Reporting Requirements: Audited accounts under IFRS.

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.