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PART I
ADMINISTRATIVE REGULATIONS

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The Insurance and Reinsurance Business and Other Related Issues Regulations of 2016, issued by the Council of Ministers under sections 19, 38, 43, 44, 90, 158, 159, 161, 162, 170, 225, 227, 367, 370, 372, 373, 375, 377, 379, 382, 383, 386, 395, 396 and 431 of the Insurance and Reinsurance Business and Other Related Issues Law of 2016, as tabled in the House of Representatives and approved by it, are published in the Official Gazette of the Republic under subsection (3) of section 3 of the Tabling to the House of Representatives of the Regulations issued by authorisation of Law (N. 99 of 1989 as amended by Law 227 of 1990 up to 3 (I) 2010).

The INSURANCE AND REINSURANCE BUSINESS AND
OTHER RELATED ISSUES LAW OF 2016

Regulations under section

19, 38, 43, 44, 90, 158, 159, 161, 162, 170, 225, 227, 367, 370, 372, 373,
375, 377, 379, 382, 383, 386, 395, 396 and 431

38(I) of 2016

The Council of Ministers, exercising the powers conferred to it by sections 19, 38, 43, 44, 90, 158, 159, 161, 162, 170, 225, 227, 367, 370, 372, 373, 375, 377, 379, 382, 383, 386, 395, 396 and 431 of the Insurance and Reinsurance Business and Other Related Issues Law of 2016, issues the following Regulations.

Short title.

1. The present regulations may be cited as the Insurance and Reinsurance Business and Other Related Issues Regulations of 2016

Interpretation.

2. (1) In these Regulations, the term "Law" means the Insurance and Reinsurance Business Other Related Issues Law of 2016.

(2) The terms, used in these Regulations, not otherwise specified, have the meaning attributed to the same by the Law.

**Documents to be submitted
together with the application
for the granting of authorisation
to exercise or extend
insurance and reinsurance
business to a Cypriot
insurance and reinsurance
undertaking**

3. (1) Subject to the provisions of section 19 of the Law, together with the application by a Cypriot insurance or reinsurance undertaking for the granting of authorisation to pursue insurance or reinsurance business, the following documents shall be submitted:

(a) A copy of the Memorandum and Articles of Association of the undertaking or any other corresponding document duly certified as in force at the time of submitting the application and any other incorporation document, where applicable, duly certified by the Registrar of Companies;

(b) an initial balance sheet in the prescribed form, which must show-

(i) the eligible basic own funds so as to cover the absolute floor for the minimum capital requirement provided for in paragraph (d) of subsection (1) of section 136 of the Law;

(ii) the solvency capital requirement, as provided for in Section 4 of the Sixth Chapter of Part II of the Law;

(iii) the eligible basic own funds so that they meet the minimum capital requirements as provided for in Section 5 of the Sixth Chapter of Part II of the Law,

(c) as these result from the scheme operations submitted in accordance with subparagraph (c) of paragraph (1) of this Regulation, which balance sheet shall be accompanied by a certificate of the approved auditors of the undertaking;

(d) a three-year scheme of operations, which includes the elements set out in section 24 of the Law;

(e) the organisation chart of the company and a narrative report of the governance arrangements, demonstrating the effective compliance of the undertaking with Section 2 of the Fourth Chapter of Part II of the Law;

(f) a written statement, giving the expiration date of the financial year;

(g) the prescribed form, which shall include the details specified in section 44 of the Law regarding the identity as well as the academic and professional

qualifications and experience of the persons in the board of directors of the undertaking and any other persons who effectively run the undertaking or exercise any other key tasks and functions in the undertaking, as provided for in Section 2, of the Fourth Chapter of Part II of the Law, which must be accompanied by the documents referred to in Regulation 15;

(h) if the company intends to exercise the class of motor vehicle liability insurance, a statement that the undertaking intends to register with the Motor Vehicles Insurers' Fund, and if it exercises other insurance classes, which are compulsory by law, a statement that it intends to register with any other body or organisation specified by the Law or determined by the Superintendent;

(i) A list of reinsurers accompanied by reinsurance cover notes;

(j) the prescribed form in relation to persons who have a qualifying holding in accordance with the provisions of section 58 of the Law.

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Third Annex

31.12.1977

1.12.2000

30.11.2001

28.1.2005

23.7.2010

20.7.2012.

(2) If the documents submitted under paragraph (1) are not in one of the official languages of the Republic, the documents shall be submitted together with their translation into an official language of the Republic, certified as provided for in the Regulations of the Companies Law.

(3) A Cypriot insurance or reinsurance undertaking already authorised to pursue insurance or reinsurance business and which wishes to extend its business to another or to other insurance classes shall submit a new application, in accordance with section 20 of the Law, in the prescribed form together with-

(a) a solvency statement covering a period of not earlier than one month from the date of such application, which proves that the company complies with the provisions of section 20 of the Law on the availability of eligible own funds to cover the solvency capital requirements and the minimum capital requirements set out in sections 107 and 135 of the Law, depending on the class of insurance for which the company requests to extend its business;

(b) a written commitment that it undertakes to comply with the minimum limits of financial obligations mentioned in section 76 of the Law, as appropriate;

(c) the documents referred to in subparagraphs (c) and (h) and, where applicable, the declaration referred to in subparagraph (f) of paragraph (1).

(4) The provisions of this Regulation shall also apply, mutatis mutandis, in the case of a mutual insurance organisation.

**Documents to be submitted
by an insurance or
reinsurance undertaking of
a third country for the
granting of a licence to
exercise or extend
insurance or reinsurance
business.**

4. (1) Subject to the provisions of section 177 of the Law, the application for the granting of authorisation to an insurance or reinsurance undertaking of a third- country to pursue insurance or reinsurance business shall be submitted in the prescribed form and be accompanied by the following documents:

a) A copy of the Memorandum and Articles of Association of the insurance or reinsurance undertaking of the third country or any other similar document, duly certified, as applicable at the time of submission of the application, and any other incorporation document of the branch or the representation, where applicable, duly certified by the Registrar of Companies;

(b) the prescribed form for appointing a representative in the Republic of a branch of an insurance or reinsurance undertaking of a third country, which shall include the details specified in section 44 of the Law and Regulation 12, and which shall include a statement whereby the withdrawal of the appointment can be made only after the Superintendent is served with the relevant notification and is accompanied by the documents referred to in Regulation 15 of these Regulations;

(c) a certificate by the competent supervisory authority of the head office of the undertaking, dated not earlier than three months, that the insurance or reinsurance undertaking operates at its head office and actually exercises the insurance classes it seeks to carry out in the Republic;

(d) a statement, in the prescribed form, presenting the deposit of the guarantee provided for in paragraph (f) of subsection (1) of section 177

of the Law, which shall be accompanied by a certificate of its auditors, proving the existence of the deposit;

(e) a written declaration stating the expiry date of the financial year;

(f) the prescribed form which shall include the details set out in section 44 of the Law, in relation to the identity, as well as the academic and professional qualifications and experience of the members of the board of directors of the company and any persons effectively running it or having other key tasks and functions as set out in Section 2 of the Fourth Chapter of Part II of the Law, which shall be accompanied by the documents set out in Regulation 15 of these Regulations;

(g) a three-year scheme of operations of the branch that shall include the items specified in section 178 of the Law;

(h) the financial statements of the insurance or reinsurance undertaking for the last three financial years or, for the number of financial years it has covered, if the applicant company is in the business for less than three years, together with the auditors' report thereof;

(i) if the third country undertaking intends to pursue the class of motor vehicle liability insurance, a statement that the undertaking intends to register with the Motor Insurers' Fund, and if it exercises other insurance classes, which become mandatory by law, a statement that it intends to register with any other body or organisation specified by the Superintendent;

(j) A list of reinsurers accompanied by reinsurance cover notes;

(k) an actuarial report covering the last financial year ended;

(l) an organisation chart and narrative report of the governance system to demonstrate effective compliance with Section 2 of the Fourth Chapter of Part II of the Law.

(2) If the documents submitted under paragraph (1) are not in one of the official languages of the Republic, the documents shall be submitted together with a translation of these documents into an official language of the Republic, certified as provided for in the Regulations of the Companies Law.

(3) The representative in the Republic of the branch of the insurance or reinsurance of a third country undertaking shall fulfill the following conditions:

(a) shall have his ordinary residence in the Republic unless the Superintendent allows him to have his ordinary residence outside the Republic, as long as he considers that this does not adversely affect the proper operation of a branch;

(b) shall be responsible for the conduct of all branch operations in the Republic;

(c) shall have sufficient powers to bind the insurance or reinsurance third country undertaking towards third parties and to represent it before the judicial or administrative authorities of the Republic and to accept all correspondence in the Republic on behalf of the undertaking.

(4) The parallel appointment of two general representatives is not allowed.

(5) The representative shall not be the auditor or partner or employee of the auditor, in regard to the audit of accounts of any insurance business conducted in the Republic by the undertaking.

(6) If the representative is a legal person, it shall have its seat in the Republic and appoint a natural person who satisfies the provisions of paragraphs (3) to (5).

(7) A third country insurance or reinsurance undertaking already having authorisation to carry out insurance or reinsurance business in the Republic and which wishes to extend its business to another class or to other classes of insurance, shall submit a new application in the prescribed form in order to be granted authorisation for this class or classes.

(8) The application referred to in paragraph (3) shall be accompanied by a statement of solvency covering a period not earlier than one month from the date of application, and by the documents referred to in sub-paragraphs (c), (d), (g) and (j), and, where applicable, by the statement referred to in sub-paragraph (i) of paragraph (1) of this Regulation.

**Documents to be submitted
for the establishment of a
branch in the Republic by
an insurance undertaking
of a Member state.**

5. (1) Subject to the provisions of section 158 of the Law, the following documents shall be submitted to the Superintendent by the supervisory authority of the home member state of the undertaking and, if these are not in one of the official languages of the Republic, together with a translation thereof certified as defined in the Regulations of the Companies Law, other

than the solvency certificate which shall be submitted in the national language of the home member state or in a language commonly accepted:

(a) the prescribed form for the appointment of a representative in the Republic of a branch of an insurance undertaking of a member state, proving that he meets, *mutatis mutandis*, the requirements of paragraphs (3) to (6) of Regulation 4, and that he possesses the qualifications referred to in Regulation 13, accompanied by the documents referred to in Regulation 15 of these Regulations;

(b) a three-year scheme of operations that includes, *mutatis mutandis*, the items provided for in section 24 of the Law;

(c) if the insurance company of the member state pursues classes of insurance that become mandatory by law, a relevant certificate that it is registered in the body or organisation specified by the Superintendent, including a certificate of registration in the Motor Vehicles Insurers' Fund and the Motor Insurer's Bureau Cyprus, where the insurance undertaking is going to carry out land motor vehicle liability, excluding carrier liability, immediately after registering.

(2) In case of change in the content of any of the information referred to in subparagraphs (a) and (b) of paragraph 1 already submitted, the undertaking shall notify in writing to the supervisory authority of the Member state of origin and the Superintendent about the change at least one month before the change takes place, so that these authorities may fulfill their respective duties in accordance with the relevant provisions of the Law.

**Documents to be submitted
for the establishment of a
branch of a Cypriot
insurance undertaking in
another Member state.**

6. (1) Subject to the provisions of section 159 of the Law, the following documents and information shall be submitted to the Superintendent by a Cyprus insurance undertaking that intends to establish a branch in another member state and, if these are not written in one of the official languages of the Republic and in one of the official languages of the respective member state, a translation thereof certified as set out in the Companies' Regulations shall be submitted also, other than the solvency certificate which is submitted in an official language of the Republic or a mutually acceptable language -

(a) the prescribed form for appointing a representative in the branch, proving that he meets, *mutatis mutandis*, the requirements of paragraphs (3) to (6) of Regulation 4, and that he possesses the

qualifications referred to in Regulation 14, accompanied by the documents referred to in Regulation 15 of these Regulations;

(b) the prescribed form which shall include details in relation to the academic and professional qualifications and the experience of any person effectively running or having other key tasks and functions in the branch as defined in section 44 of the Law, together with the documents referred to in Regulation 15 of these Regulations;

(c) a three-year scheme of operations that includes the items, *mutatis mutandis*, provided for in section 24 of Law;

(d) a list of reinsurers, accompanied by cover notes.

2) In case of change of any information referred to in subparagraphs (a), (b) and (c) of paragraph (1), which has already been submitted, the company shall notify in writing about the change the Superintendent and the supervisory authority of the Member state of the branch, at least one month before the change is made, so that both these authorities may fulfill their respective duties in accordance with the relevant provisions of the Law.

Documents to be submitted for the purpose of freedom to provide services in the Republic by an insurance undertaking of a Member state.

7. (1) Subject to the provisions of section 161 of the Law, the following documents shall be submitted to the Superintendent by the supervisory authority of the Home member state of the undertaking, and if they are not written in one of the official languages of the Republic, a certified translation thereof shall be submitted in accordance with the Companies' Regulations, together with a solvency certificate in the language of the Member state of origin or in a mutually acceptable language-

(a) a notification of the name and address of the head office of the insurance undertaking concerned and, where applicable, the address of the branches.

(b) the proxy appointing the special claims representative, a natural or legal person, as appropriate, having residence or seat, as appropriate, in the Republic, accompanied by the documents of Regulation 15 of these Regulations;

(c) in case of exercise of the class of legal expenses insurance, the method of operation selected by the undertaking, as laid down in section 240 of the Law shall also be submitted.

(2) If there is a change in the contents of sub-paragraph (a) of paragraph (1), the insurance company shall give written notice to the Superintendent about the changes so that the Superintendent may fulfill his duties in accordance with the relevant provisions of the Law.

Special register for the freedom to provide services

8. The Superintendent shall keep a special register for the freedom to provide services pursuant to subsection (6) of section 161, which shall include, inter alia, the following information -

- (a) the name of the insurance undertaking;
- (b) the home member state of the insurance undertaking and, where applicable, the branch exercising the freedom to provide services;
- (c) the nature of the insurance risks or the insurance obligations covered by the insurance undertaking under the status of the freedom to provide services;
- (d) the name and address of the special representative of the insurance undertaking, in case of exercise of the class of civil liability insurance of owners of motor vehicles, other than carrier liability.

Documents to be submitted for the purpose of freedom to provide services by a Cypriot insurance undertaking in another Member state.

9. (1) The documents to be submitted to the Superintendent by a Cypriot insurance undertaking under section 162 of the Law shall be written in one of the official languages of the Republic, and in one of the official languages of the member state in which the undertaking intends to pursue activities relating to the freedom to provide services, except the solvency certificate which shall be submitted in the official language of the Republic or a mutually acceptable language.

(2) In case the Cypriot insurance undertaking concerned will exercise civil liability insurance in respect of land motor vehicles, other than carrier's liability, in addition to the documents set out in section 162 of the Law, it shall submit-

(a) a statement that within the period prescribed by the supervisory authority of the host State, the undertaking shall become a member of the national bureau and the national guarantee fund of the host member state.

(b) a proxy appointing the special representative, natural or legal person residing or established in the host member state, fulfilling the requirements of Regulation 25, accompanied by the documents of Regulation 25 of these Regulations.

Fees.

10. (1) For the examination of an application for authorisation to pursue insurance or reinsurance business as set out in subsection (5) of section 19 and subsection (1) of section 177 of the Law, the following fees shall be paid -

(a) in the of case of pursuing Life Insurance business fifteen thousand euro (€15,000);

(b) in the case of pursuing Non Life Insurance business ten thousand euro (€10,000);

(c) in the case of carrying out reinsurance business in Life Insurance and Non Life insurance business twenty thousand euro (€20,000):

Provided that if the Superintendent rejects the application for authorisation to pursue insurance or reinsurance business under section 27 of the Law the amount of two thousand euro (€2,000) is refunded.

(2) For the examination of an application for authorisation to extend insurance or reinsurance business as set out in subsection (1) of section 20, the following fees shall be paid -

(a) in case of extension of business to the Life Insurance class, three thousand euro (€3,000) –

(b) in case of extension of business to Non Life insurance two thousand euro (€2,000).

(3) For any amendment of such authorisation relating to the name of the licensee or the address of the licensee and/or the insurance classes for which the authorisation was granted (excluding the extension), fees amounting to two hundred euro (€200) shall be paid.

(4) In the event of portfolio transfer, as defined in subsection (2) of section 199 or subsection (4) of section 201 of the Law, ten thousand euro (€10.000) shall be paid.

Qualifications of persons running the undertaking or exercising other key functions.

11. Any person, member of the board of directors of an insurance or reinsurance undertaking and any other person effectively running the business or performing other key functions in the undertaking must hold, in accordance with section 44 of the Law, the following qualifications:

(a) if it concerns the chief executive officer or general manager or a member of the board of directors, he must be holder of a suitable and recognised university degree or title, or another equivalent qualification or other suitable professional qualification and have served for at least five years in a position of responsibility associated with the tasks he is going to carry out-

(b) if it concerns any other person, who the Superintendent considers that, given the nature of his duties in the undertaking, is in a position to influence the decisions or the whole policy of the undertaking, he must be holder of a suitable and recognised university degree or title, or an equivalent qualification or other suitable professional qualification on issues relating to the tasks he will perform in the undertaking and he must have served for at least two years in a responsible position in the relevant sector:

Provided that the directors or any other person essentially running an existing insurance or reinsurance undertaking may continue to exercise their functions in the undertaking after the entry into force of the Insurance and Reinsurance Business and Other Related Issues Law of 2016 and the Insurance and Reinsurance Business and other Related Issues Regulations of 2016, even if they do not hold the academic or professional qualifications and experience provided in the above paragraphs.

Provided further that, the qualifications required for the persons referred to in paragraph (b) shall apply, *mutatis mutandis* where the insurance or reinsurance company outsources operational functions or other insurance or reinsurance activities.

Qualifications of the representative and persons running the undertaking or exercising other key

**functions in a third country
insurance or reinsurance
undertaking in the Republic.**

12 (1) The representative of an insurance or reinsurance undertaking of a third country for the purposes of paragraph (e) of subsection (1) of section 177 of the Law;

(a) must, if he is a natural person, hold a recognised university degree or title or other equivalent qualification or other suitable professional qualification in subjects related to the tasks he will perform in the branch, and must have served for at least five years a position of responsibility in his field.

(b) if it is a legal person, the members of its board of directors and any other persons effectively running or having other key tasks and functions in the branch must have the qualifications and experience referred to in paragraph (a)

Provided that, the representatives in the Republic of an existing insurance or reinsurance undertaking of a third country may continue to exercise their functions in the same branch also after the entry into force of the Insurance and Reinsurance Business and Other Related Issues Law of 2016 and the Insurance and Reinsurance Business and other Related Issues Regulations of 2016, even if they do not hold the academic or professional qualifications and experience provided for in the above subsections.

(2) Any person who performs other key tasks and functions in the branch in the Republic must, for the purposes of paragraph (j) of subsection (1) of section 177 of the Law, hold a suitable and recognised university degree or title, or an equivalent qualification or other suitable professional qualification, in subjects relating to the tasks he will perform in the undertaking and must have served for at least two years in a responsible position in his field:

Provided that a person who performs in the Republic other key functions in an existing insurance or reinsurance undertaking of a third country may continue to perform his duties in the same branch also after the entry into force of the Insurance and Reinsurance Business and Other Related Issues Law of 2016 and the Insurance and Reinsurance Business and other Related Issues Regulations of 2016, even if he does not possess the required in the above paragraphs academic or professional qualifications and experience.

**Qualifications of a representative
of an insurance undertaking of
a member state with the status**

of free settlement in the Republic

13. Any person holding the position of representative of an insurance undertaking of a Member state in accordance with the provisions of paragraph (b) of subsection (3) of section 158 of the Law must hold the following qualifications -

(a) if it is a natural person, he must hold a recognised university degree or title or other qualification or an equivalent qualification or other professional qualification and have served for at least five years in a position of responsibility associated with the tasks he will perform;

(b) if it is a legal person, the members of its board of directors and any other person who basically runs the branch or performs other key duties and functions must have the qualifications or experience provided for in paragraph (a):

Provided that the persons holding the position of representative in an existing undertaking of a member state may continue to perform their duties in the same undertaking also after the entry into force of the Insurance and Reinsurance Business and Other Related Issues Law of 2016 and the Insurance and Reinsurance Business and other Related Issues Regulations of 2016, even if they do not possess the required in the above paragraphs academic or professional qualifications and experience

Qualifications of the representative and the persons running the undertaking or exercising other key duties and functions in the branch of a Cypriot insurance undertaking in a member state.

14. Where a branch of a Cypriot insurance undertaking is established in another member state, the qualifications which the representative and the persons who effectively run the undertaking or have other key functions in the undertaking must hold, must be equivalent to those set out in Regulation 13 of these Regulations:

Provided that the persons holding the position of representative in an existing branch of a Cypriot insurance undertaking in another member state may continue to exercise their duties in the same undertaking also after the entry into force of the Insurance and Reinsurance Business and Other Related Issues Law of 2016 and the Insurance and Reinsurance Business and other

Related Issues Regulations of 2016, even if they do not possess the required in the above paragraphs academic or professional qualifications and experience.

Accompanying documents.

15. (1) The documents that shall accompany the prescribed forms referred to in subparagraph (f) of paragraph (1) of the Regulation 3, in subparagraph (b) of paragraph 1 of Regulation 4, in subparagraph (a) of paragraph (1) of the Regulation, in subparagraphs (a) and (b) of paragraph (1) of Regulation 6, in subparagraph (b) of paragraph (1) of Regulation 7 and in sub-paragraph (b) of paragraph (2) of Regulation 9 of these Regulations shall be the following:

(a) If the applicant is a citizen of the Republic -

(i) a criminal record certificate issued by the Chief of Police, dated not earlier than three months from the date of the submission of the declaration; and

(ii) a certificate that he has not been declared bankrupt, issued by the Official Receiver dated not earlier than three months from the date of the submission of the declaration;

(b) where the applicant is a national of another member state or a third country, instead of the certificates referred to in paragraph (a), the Superintendent shall accept, as proof that the applicant has no criminal record and has not been declared bankrupt, the production of -

(i) an extract of the "judicial record", and if this is not possible, the production of an equivalent document issued by a competent judicial or administrative authority of the state of origin;

(ii) if the state of origin does not grant any of the documents referred to in subparagraph (i), these may be substituted by an affidavit of the applicant, or in the case of states where there is no provision for an affidavit, by a solemn declaration by the applicant before a competent judicial or administrative authority or notary public of the state of origin, who shall issue a certificate attesting to the authenticity of the sworn declaration or the solemn declaration. The declaration concerning the non-bankruptcy may also be made before a competent professional organisation of the state of origin:

Provided that the documents referred to in paragraph (1) shall be dated not earlier than three months from the date of submission of the application.

Provided further that the above documents requested under paragraph (1), may be required, *mutatis mutandis*, at the discretion

of the Superintendent, also in the case where the insurance or reinsurance undertaking is outsourcing.

(2) The Superintendent shall inform the supervisory authorities of the member states about the authorities issuing the documentary evidence under subparagraph (a) of paragraph (1) with respect to Cypriot citizens, and about the authority to which the documents provided for in paragraph (1), in support of the application for the exercise in the Republic of insurance or reinsurance business shall be submitted.

Granting of Loans

16. (1) An insurance or reinsurance company may grant loans pursuant to the proviso set in subsection (8) of section 43 of the Law to the persons specified therein, provided that the total amount of the loan shall never exceed the total annual emoluments paid to the borrower by the undertaking.

(2) Interest shall be paid in respect of any loan granted in accordance with paragraph (1), which shall not be less than the repo rate of the European Central Bank.

(3) For the purposes of this Regulation, the term "annual emoluments" shall not include amounts received from any commissions.

Proof of appropriateness of the level of technical provisions, the applicability and relevance of methods used and the adequacy of the underlying statistical data.

17. (1) In relation to the provisions of section 90 of the Law, with respect to insurance and reinsurance undertakings which shall demonstrate the appropriateness of the level of their technical provisions, as well as the applicability and relevance of the methods applied and the adequacy of the underlying statistical data, and irrespective of any requirement of the Superintendent, the undertakings shall submit, at least once each year, a certification by an actuary in respect of their above obligations.

(2) The actuary referred to in paragraph (1) must be -

a) a member of a professional body of actuaries, which body is a full member of the Actuarial Association of Europe or the International Actuarial Association, with the status of:

(i) fellow for Life insurance and Non Life insurance business in relation to insurance policies covering risks for accidents and/or sickness (classes 1 and 2 of Part A of the First Annex of the

- Law)
- with a duration of more than one year and/or for Life or Non Life reinsurance business;
 - (ii) at least associate member for Non Life Insurance business for policies other than accident and/or sickness with a duration longer than one year referred to in point (i) above;
- (b) must have satisfactory experience related to the conduct of insurance actuarial work for at least:
- (i) three years with the status of fellow;
 - (ii) five years with the status of associate
- (c) is a person fit and proper for the purposes of subsections (1) and (2) of section 44 of the Law;
- (d) does not hold the position of general manager of the undertaking and/or is not a member of the Board of Directors of the undertaking; and
- e) his appointment has been approved by the Superintendent.
- (3) For the appointment and termination of the appointment of the actuary, the procedure set out in subsections (3) to (7) of section 49 of the Law shall be followed, *mutatis mutandis*.
- (4) For the purposes of paragraph (1) a person performing the actuarial function under section 49 of the Law or any other person in the undertaking, provided that such persons comply with the requirements set out in paragraph (2) may be appointed to the post of actuary.
- (5) The duties of the actuary for the purposes of paragraph (1), *inter alia*, include -
- (a) If the actuary is the same person performing the actuarial function under section 49 of the Law he shall;
 - (i) submit, through the board of directors, to the Superintendent, at least on an annual basis a certificate on the adequacy of the level of technical provisions, as well as the applicability and relevance of the methods used and the adequacy of the underlying statistical data used,
 - (ii) inform immediately the board of directors, the general manager of the undertaking, the auditors, and also the Superintendent, at the level that he considers suitable, if at any time he has reasonable grounds to

believe that the technical provisions of the undertaking are not adequate to fulfill the obligations arising from insurance policies, taking into account the interests of the insured persons so that they are fairly treated and / or if they are not adequate for the undertaking to fulfill the reasonable claims by the time they fall due, including reasonable expectations of the insured regarding the earnings yield;

(b) If the actuary is not the same person performing the actuarial function under section 49 of the Law he shall-

i) submit, through the board of directors, to the Superintendent, at least on an annual basis a certificate on the suitability of the level of technical provisions, the applicability and relevance of the methods used and the adequacy of the underlying statistical data used,

(ii) inform immediately the board of directors, the general manager of the undertaking, the person exercising the actuarial function, the auditors of the undertaking and also the Superintendent, at the level that he considers suitable, if at any time he has reasonable grounds to believe that the technical provisions of the undertaking are not adequate to fulfill the obligations arising from the insurance policies, taking into account the interests of the insured persons so that they are fairly treated and / or if they are not sufficient for the undertaking to fulfill the reasonable claims by the time they fall due, including reasonable expectations of the insured regarding the earnings yield;

(iii) shall request and obtain from the undertaking the information and explanations which he considers necessary for the proper performance of his duties and to advise, for this purpose, the undertaking on the data, records and systems that are necessary to receive such information and explanations;

(iv) shall notify the undertaking in relation to his access to the systems, procedures, data, information on the methods and assumptions, and any other information, explanations as well as any other information and clarifications he considers necessary for the proper performance of his duties.

(6) In carrying out his duties, the actuary shall -

(a) take into account generally accepted actuarial principles;

(b) be objective;

(c) take reasonable steps so as to be satisfied that he is not biased or influenced by any conflicting interests, and otherwise take appropriate action.

(7) For the correct performance of the actuarial functions, the undertaking shall -

(a) provide to the actuary whenever he it deems necessary, giving him direct access to the board of directors of the undertaking;

(b) keep him informed about its operations and policies and any other plans and decisions, including the operations or plans of associated companies, if these are considered relevant;

(c) provide to the actuary satisfactory means to carry out his work, if he happens to be an employee of the undertaking;

(d) keep such data and files and have such systems in place that the actuary considers necessary, and give him access to them at all times;

(e) seek his advice with respect to possible repercussions that may arise from significant changes in its scheme of operations and/kin policies and practices, or other data in relation to the rights and interests of the insured, which may affect the level of technical provisions and ;

(f) take into account his advice, whether given under paragraph (e), or on his own initiative, which the actuary may present, if he so requests, directly to the board of directors of the undertaking.

Qualifications of the independent actuary for the purpose of transferring the portfolio and continuing Life Insurance business during winding-up.

18. (a) For the purpose of portfolio transfer, the independent actuary referred to in paragraph (a) of subsection (1) of section 196 or subsection (3) of section 201 of the Law must possess the qualifications specified in paragraph (2) (a) (i) and (b) (i) of Regulation 17 of these Regulations.

(b) For the purpose of appointing an independent actuary referred to in subsection (6) of section 324 of the Law for continuing Life Insurance business during the winding-up the actuary must possess the qualifications set out in paragraph (2) (a) (i) and (b) (i) of Regulation 17 of these Regulations.

**Fees for supervisory
Control.**

19. (1) With the submission to the Superintendent, according to section 38 of the Law, of the annual information for supervisory purposes by insurance or reinsurance undertakings, the following fees shall be payable:

(a) Where annual gross written premiums or reinsurance premiums of the insurance or reinsurance undertaking do not exceed two million euro (€2.000.000), the fees amount to two thousand euro (€2.000);

(b) where the annual gross written premiums or reinsurance premiums of the insurance or reinsurance undertaking are in excess of two million euro (€2.000.000) but do not exceed twenty million (€20.000.000), the fees amount to two thousand five hundred euro (€2.500);

(c) where annual gross written premiums or reinsurance premiums of the insurance or reinsurance undertaking are in excess of twenty million euro (€20.000.000) but do not exceed ninety million euro (€90.000.000), the fees amount to four thousand euro (€4.000);

(d) if the annual gross written premiums or reinsurance premiums of the insurance or reinsurance undertaking exceed ninety million euro (€90.000.000), the fees amount to seven thousand five hundred euro (€7.500):

Provided that in the case of an insurance or reinsurance undertaking of a third country, the gross written premiums or reinsurance premiums taken into account for the purposes of this Regulation shall be deemed to be those attributable to the business carried out in the Republic.

(2) If spot checks, as set out in subsection (9) of section 395 or subsection (3) of section 396 of the Law are carried out on insurance or reinsurance undertakings outside the seat of the Service, the said undertakings shall pay additional fees towards the travelling and possible accommodation expenses of the persons carrying out the spot checks on behalf of the Superintendent, which shall not exceed the fees referred to in subparagraphs (a) up to (d) of paragraph (1) of this Regulation, as the case may be:

Provided that the same applies also if the spot checks as set out in subsection (9) of section 395 of the Law are carried out, if it is an undertaking, other than an insurance or reinsurance undertaking.

Provided further that if the actual travel and accommodation expenses for spot checks are lower than the fees set out in subparagraphs (a) up to (d) of paragraph (1), then the actual expenses shall be paid; otherwise the difference shall be borne by the State Budget.

Information provided prior to concluding a Non Life

Insurance contract.

20. Subject to the provisions of section 225 of the Law, an insurance company or a person carrying out insurance mediation business shall provide to a person who is interested to conclude a Non Life insurance contract, the following additional information:

- (a) the name and legal form of the insurance undertaking;
- (b) the address of the head office of the insurer and, where applicable, of the branch or of the representation with which the person interested may conclude the contract;
- (c) the full name and address of the person exercising insurance mediation business and the number of the Registration Certificate.

Information to be given to persons interested to conclude a Life insurance contract.

21. Subject to the provisions of section 227 of the Law, in the case of insurance contracts falling in Life Insurance class the following additional information shall be given, where applicable:

- (a) The insured amount and the currency of the insurance contract
- (b) the date of the commencement of the insurance contract and its maturity date
- (c) the duration of payment, the amount of the premium for the main insurance and, where applicable, for the additional coverage as well as the total annual premium, the manner and the timing of payments as well the currency in which it will be paid.
- (d) the manner of termination of the insurance contract and the circumstances under which either the insured or the insurance undertaking can terminate it and where applicable, the fact that there is or there could be a relevant charge.

(e) the full name and address of the person carrying out insurance mediation business and the number of his Registration Certificate.

**Additional information
given to a person interested
in concluding an insurance
contract other than a unit-
linked life insurance**

22. (1) In the case of insurance contracts falling in the class of Life Insurance not linked to investments and if the person is a natural person, in addition to the information referred to in section 227 of the Law, the following information shall be given, where applicable:

(a) a brief description of the insurance covers provided both by the main and the supplementary insurance, and any options offered;

(b) in the case of insurance contracts with participation in company profits, the manner of calculation and distribution of such participation.

(c) the surrender value of the insurance contract, after deducting any redemption charges or any expenses the company is entitled to charge, after the lapse of 3, 6, 9, 12, 15, 20, 25, 30, 40, 50, or 60 years, depending on the duration of the insurance contract from the date of its entry into force, as well as the value of the insurance contract at maturity and the degree in which these values are guaranteed:

Provided that, if an insurance contract does not have surrender value, this should be expressly stated.

(d) clarifications on the benefits provided in the event of conversion of the insurance contract into a paid up contract, immediately after the cessation of premium payments.

(2) In addition to the information given in paragraph (1) on insurance contracts with participation in company profits, the insurance undertaking shall give an example as regards the projected benefits, on the basis of the following provisions:

(a) Any example in relation to the forecast maturity values shall include a statement that the forecast values are neither guaranteed nor estimates, but forecasts made for illustrative purposes only.

(b) the basis for the forecast shall be stated and the company's policy in relation to bonuses shall be explained in full detail concerning the assumptions in relation to costs and future revenues.

(c) the percentages of reversionary and terminal bonuses used in the projections shall not exceed the rates declared for existing contracts:

Provided that the forecast terminal value shall not exceed the accumulation of 90% of premiums with a maximum yield of 7%;

(d) the example shall show separately the guaranteed from the start amount at maturity (or other specific event), i.e. the insured amount and separately the amount of the projected reversionary profits and the amount of the projected terminal bonus.

(e) The example shall include a clear explanation in relation to the difference between the reversionary and the terminal bonus, indicating the bigger volatility of terminal bonus and their greatest dependence in the investment yield;

(f) any surrender values in the case of premature termination of the contract contained in the explanatory note shall present separately any guaranteed amount, and any amount resulting from projected reversionary bonus.

Additional information to persons interested in a unit-linked policy

23. (1) In the case of insurance contracts falling within the Life Insurance Class which are unit linked and, if the person is a natural person, in addition to the information referred to in Regulations 20 and 21, the following information where applicable, shall be given:

(a) A brief description of the benefits given including any additional benefits, any guarantees, and any essential main options;

(b) the name of each fund to which any benefit under the contract is linked, and each fund with which the insurance holder is entitled to link any benefit. Reference to any fund should be accompanied by a statement as to whether it is an internal fund or shares in collective investment in transferable securities UCITS type, specifying the funds which are index-linked .

(c) the amount and frequency of the payable premium, specifying the amounts linked with the main insurance and any supplementary insurance, the amount of any policy fee and the percentage of each premium which will be invested in the linked fund or funds;

(d) details regarding any charges to cover administrative expenses, taxes and mortality and morbidity costs and other risks covered by the

contract and the circumstances under which the undertaking may differentiate such charges;

(e) details in respect of any guaranteed investment returns;

(f) details on the method of calculation of the surrender value and the amount of any surrender charge.

(g) the procedure for switching between funds and the cost of such switching;

(h) where the fund to which the benefits are linked is managed internally by the undertaking, a clear statement of the investment objectives of each such fund, so as to include also the percentage targets for each class of assets (e.g. immovable property, deposits, shares, bonds, foreign investments, etc.), as well as an indication of the level of risk represented by the profile of the fund;

(i) for each internal fund, details about the method of fund valuation, the frequency of such valuations and the manner in which the unit value is calculated;

(j) for each internal fund, details about fund valuation, frequency of such valuations and the manner in which the unit value is calculated.

131(I) of 2014

11(I) of 2015

(k) where the fund to which the benefits are linked is not an internal fund, a clear statement of the investment targets of each such fund, the name and address of the Management Company of the fund and information indicating where the value of the fund can be seen from time to time. It must also be stated whether the fund is regulated by the Open-ended Undertakings for Collective Investment Law of 2012, as it may be amended or replaced or whether it is exempt from this Law with reference to Alternative Investment Fund Laws of 2014 and 2015, as amended or replaced from time to time.

(2) In addition, the insurance undertaking must provide an example as regards the forecast benefits under the following provisions:

(a) Each example shall contain the provisions set out in the directives issued from time to time by the Superintendent in accordance with section 227 of the Law;

(b) the calculations shall take into account the amounts of current premiums to be invested (including predetermined increases), the

dispersion of redemption /offer, taxes and current charges of the fund, so that the amounts of the example are presented net of all charges;

(c) each example of the planned surrender or maturity values shall include a declaration that the projected values are neither guaranteed nor assessments but projections for illustrative purposes only-

(d) any example of the projected surrender or maturity value shall include a statement that the current value of stock titles or other recognised securities of the fund may decrease and also increase, and that the performance of the fund so far cannot not be a criterion for its future yield;

(e) if the contract contains a provision for unit allocation in the form of bonus or other payments in the form of bonus, such payments can be included in the example, only if they are guaranteed and financed from sources outside the linked fund units, and are taken into account in the calculation of mathematical reserves.

3) In the case of payment of additional lump sums in a contract with periodic payments of premiums, either at the time of issuing the contract, or at a later date under an option provided for in the contract, the detailed information set out in paragraphs (1) and (2), shall be given, as if the extra single premium was a separate contract:

Provided that any information which is common in the periodic premium payment contract and that which must be given for the additional single premium may be omitted.

Information to policy-holders during the validity of the insurance contract

24. Subject to the provisions of sections 225 and 227 of the Law, during the period of validity of the insurance contract, the insurance undertaking shall notify the policy holders of the following additional information:

(a) Any change in its name, legal form, address of the head office, branch or representation, where applicable, with which the contract is concluded, within one month from the date the change took place and in particular, in relation to insurance contracts of the Life class, the insurance company shall give written notice to the policyholders of any possible change agreed between them concerning items (a) and (b) of Regulation 27, items (a) to (d) of Regulation 22 and items (a) through (k) of paragraph (1) of Regulation 23 of these Regulations, where applicable, within one month from the date of the change.

(b) in the case of Life insurance with profits policies, the insurance undertaking shall send at least once in a calendar year a written note to the insured that includes the following information in relation to the participation of the contract in the profits -

- (i) the basic insured amount payable at maturity of the contract or if the insured person dies before the expiry of the contract;
- (ii) the amount of the reversionary bonus added from the day of sending the previous notice;
- (iii) the total amount of the reversionary bonus that has been added to the basic insured amount up to the date of sending of the written notice;
- (iv) a description of tactics used by the insurance company in relation to the payment of the terminal bonuses:

Provided that, if the note contains an example in relation to future profits, the provisions of paragraph (2) of Regulation 22 of these Regulations shall apply;

(c) in the case of unit-linked insurance contracts, the insurance undertaking shall send to the insured at least once in a calendar year a written note which shall include the following information:

- (i) the name of the fund or funds in which the investment is made, and the number of units held for the benefit of the contract in each fund;
- (ii) the number of units added to the contract in relation to each fund from the date of sending the previous note;
- (iii) the value of units held for the purposes of the contract at the date of sending the note, and the current surrender value;
- (iv) the manner in which the value of units is published and how it can be verified at regular intervals;
- (v) the composition of each investment fund at the date of sending the note by asset category and the percentage ratio in the total value of the fund;
- (vi) a comment in relation to changes in the composition of the investment fund since the last annual note which shall include the reasons for a deviation from the notified investment policy of the fund;

(vii) the percentages of premiums invested in each fund at the time of sending the note, the procedure of switching between funds and the cost of such switching.

(d) If the insurance contract provides for the possibility of significantly differentiating its terms and specifically provides for the possibility of differentiating the charges in relation to the management fees or other charges, then the insurance undertaking shall send a written notice to policyholders for all changes at least three months before the introduction of the changes.

**Additional information published
by insurance undertakings in
relation to insurance contracts
linked to internal funds.**

25. The insurance companies managing internally the funds linked to insurance contracts shall, as stipulated in section 227 of the Law,-

(a) publish at least once a month the most recent prices of investment units for each fund they manage, together with the date of the last valuation and

(b) submit to the Superintendent within six weeks from 31 December each year, copies of the latest issue of preliminary notes issued under section 227 of the Law, and, in particular, submit the composition of each investment fund in force on the aforementioned date by asset class and the percentage ratio in the total value of the fund, together with comments in relation to the changes in the composition of investment funds during the past year, including the reasons for the deviation from the notified investment policy of the fund.

**Criminal offence in connection
with the information notified
for the conclusion of the contract**

26. (1) The information provided in accordance with sections 225 and 227 of the Law shall be accompanied by a statement from the insurance undertaking or the person pursuing mediation business, that he did not fail to provide to the interested person any material information regarding the insurance contract.

(2) Violation of the provision of paragraph (1) is a criminal offence liable to imprisonment of up to three months or a fine not exceeding five thousand euro or both such imprisonment and fine.

Advertising of insurance undertakings

27. (1) For the purposes of section 170 of the Law, the form and content of insurance advertising is governed by the following provisions:

(a) Insurance advertisements shall be clear and not misleading;

(b) Insurance advertisements shall not contain -

(i) a statement, promise or forecast that is false or misleading;

(ii) a statement on an actual fact which the insurance undertaking at the time of making the advertisement does not have any reason to believe that it is true-

(iii) an opinion or viewpoint expressed by any person on behalf of an insurance undertaking, which at the time of the advertising, such person had no reasonable grounds to believe that it was his honest opinion or point of view;

(iv) a statement in relation to an actual fact that the insurance undertaking at the time of the advertisement did not have reasonable grounds to believe that it will continue to be true for a considerable time after the advertisement.

(2) The insurance advertisement shall not fulfill the conditions referred to in subparagraph (b) (ii) and (iii) of paragraph (1), unless, at the time of the advertisement, the insurance undertaking is ready to reveal documents or other testimony mentioning the grounds on which the opinion or view is based.

(3) The insurance advertisement shall not be designed in such way that its form and content may be misinterpreted.

(4) The content or form of an insurance advertisement shall not change the meaning of any statement or other information that must be included in such advertisement pursuant to this Regulation.

(5) An insurance advertisement shall be easily identifiable as advertising and, therefore, the inclusion of the advertisement is prohibited in any news report, announcement, newsletter, article or literary work.

(6) Insurance advertising shall not make comparisons between undertakings and / or schemes offered, unless the following conditions are met -

- (a) the comparison is not misleading;
- (b) compares insurance products or services meeting the same needs or having the same targets;
- (c) objectively compares one or more features which are essential, relevant, verifiable and representative of the insurance products, which may include the premium;
- (d) does not create confusion in the market between the advertised undertaking and a competitor or between trade-marks, trade names, other distinguishing marks, goods or services of the advertised undertaking and a competitor.

(7) For the purposes of these Regulations, 'misleading advertising' means any advertising which in any way, including its presentation, misleads or is likely to mislead the persons to whom it is addressed or comes to their attention and which due to its deceptive nature, is likely to affect their economic behaviour or which, for those reasons, harms or is likely to harm a competitor.

Printed advertising insurance.

28. (1) In addition to what is stated in Regulation 27 of these Regulations, each printed insurance advertisement, including online advertisement, shall include the following:

- (a) the name of the insurance undertaking as stated in the authorisation to pursue insurance business granted to it under the Law:

Provided that use of a variant name is permitted, but only to the extent that such a name does not resemble the name of another insurance undertaking or generally does not create confusion or misleads the public as to the identity thereof;

- (b) the full address of the head office of the insurance company in the Republic;
- (c) the class or classes in which the company holds a licence to pursue insurance business to which the advertisement concerns:

Provided that advertising a class or classes for which the firm does not have authorisation to pursue insurance business is prohibited;

- (d) the paid-up share capital of the insurance undertaking, and the reserves or other assets of the undertaking, excluding the

technical reserves, where the advertising refers to the financial situation of the undertaking;

(e) complete explanations with respect to technical issues, if the insurance advertisement refers to such issues-

(f) the country of incorporation of the insurance undertaking, if it is based outside the Republic;

(g) basic identification details in relation to persons exercising mediation business for the undertaking, where the advertisement refers to such persons;

(h) sufficient information with regard to the insurance plan, when it is advertised, and additional details so that the key benefits and obligations of the plan are easily understood.

(2) If the aim of the insurance advertisement is to convince any person or persons to take out insurance with any insurance undertaking and the advertisement does not provide comprehensive details about the provisions of the contract, the advertisement shall clarify that the undertaking is ready, either itself or an intermediary acting on its behalf, to give these details providing for this purpose the relevant addresses.

**Insurance advertisements
relating to Life Insurance
business**

29. (1) In addition to what is mentioned in Regulations 27 and 28 of these Regulations, insurance advertising exclusively for Life insurance shall not include-

(a) a statement in relation to past yields, unless -

i) the basis on which such yield is based is clearly stated;

(ii) is accompanied by a warning that past yields are not necessarily a guarantee or indication for future yields;

(iii) the past yields concern the insurance of the particular undertaking or the insurance policies offered by it;

(iv) the source of information shall be mentioned

(b) a statement in connection with taxation, unless full details are given, to demonstrate its importance in practice and in relation to the person to whom it applies.

(2) If the insurance advertisement gives details in relation to any benefits payable under the policy it shall state -

(a) the benefits of the insurance policy which relate to fixed amounts, and the level of the amount thereof; and

(b) the benefits that do not relate to fixed amounts.

(3) In relation to insurance advertising on a policy having the element of investment.

a) if such an element is guaranteed, the advertisement shall indicate any factors that may affect the ability of the insured to benefit from such a guarantee;

(b) the insurance advertisement shall not specify any rate of return without indicating how this calculation is made.

Claims Representative

30. (1) The claims representative who is appointed in accordance with sections 19 and 165 of the Law -

(a) shall have his residence or registered office in the Member state where he has been appointed;

(b) shall be freely selected by the insurance undertaking appointing him-

(c) may act on behalf of one or more insurance undertakings;

(d) shall collect all necessary information for loss adjustment and shall take the measures necessary to negotiate a settlement of such claims;

(e) shall have sufficient powers to represent the insurance undertaking to injured persons, as these are defined in the Motor Vehicles (Third Party Liability Insurance) Laws of 2000 to 2010 as these are amended **96 (I) of 2000** or replaced at any given time.

156 (1) of 2003

168 (I) of 2006

69 (1) of 2007

92 (1) of 2010.

(f) must be capable of examining the case in the official language or languages of the country of residence of the injured person, as

defined in the Motor Vehicles (Third Party Liability Insurance) Laws of 2000, as these are amended or replaced at any given time.

(2) The appointment of a claims representative does not constitute establishment of a branch or representation or establishment of the insurance undertaking, within the meaning of the term "establishment" in the Law, nor within the meaning of the Convention on jurisdiction and enforcement of judgments in civil and commercial matters, signed in Brussels on 27 September 1968.

Publication of financial statements in accordance with Directive 91/674 / EEC.

31. The balance sheet, profit and loss account, the auditors' report and the annual report of the Board of Directors on the Financial Statements of Cypriot insurance or reinsurance undertakings and the corporate governance report of the said undertakings, the shares of which are listed on the Cyprus Stock Exchange, as well as the balance sheet, profit and loss account, auditors' report and report of the Board of Directors on the operations of the branch of an insurance or reinsurance undertaking of a third country in the Republic shall be published by the undertaking within seven months from the end of the fiscal year to which they relate, in the Official Gazette of the Republic and in at least one domestic daily newspaper.

Qualifications of natural persons pursuing mediation business.

32. (1) Any natural person who applies for registration in one of the Registers of paragraph (a) of subsection (1) of section 370 of the Law, in order to pursue mediation business, and a reasonable percentage of persons holding the post of managing director or who are partners in a legal person pursuing mediation business, must in accordance with section 372 and subsection (1) of section 373 of the Law, possess the qualifications set out in paragraphs (2) to (4), depending on the Registry, to which they apply for registration:

Provided that the Superintendent shall determine the reasonable percentage of persons holding the post of managing director, or who are partners in a legal person, taking into account the particular turnover of the legal person, the nature of its operations and the number of its employees.

(2) An individual in order to be entered in the Insurance Agents' Register, the Insurance Sub-agents' Register or in the Insurance Advisors' Register, must-

(a) be a holder of a School leaving Certificate of Secondary Education or other equivalent certificate;

(b) be a holder of a certificate for Non Life, and/or Life Insurance, where applicable, following examinations conducted by the Body, Institution, Organisation or Person to which the Minister, after taking into account the opinion of the Advisory Insurance Committee (to be referred to as "the Committee"), assigns through the Superintendent the conduct of examinations on elementary insurance issues relating to Non Life or Life Insurance, respectively, on the subjects set out by the Committee:

Provided that the Superintendent may exempt partially or wholly a natural person from the obligation to hold one or both the above Certificates in the case of possession of equivalent or higher qualifications in insurance issues.

(c) have successfully completed appropriate training on the insurance class or classes, in which the interested person shall engage, as certified by the insurance undertaking or the intermediary where he was a trainee and whom he will represent.

(3) For an individual to be registered in the Ancillary Insurance Intermediaries Register the natural person must-

(a) be a holder of a Schoolleaving Certificate of Secondary Education or other equivalent certificate;

(b) be a holder of a Certificate for Non -Life and/or Life Insurance, where applicable, following examinations conducted by the Body, Institution, Organisation or Person to which the Minister, after taking into account the opinion of the Committee, assigns through the Superintendent, the conduct of examinations on elementary insurance issues relating to Non-Life or Life Insurance respectively on subjects set out by the Committee:

Provided that the Superintendent may exempt partially or wholly a natural person from the obligation to hold one or both of the above Certificates in the case of possession of equivalent or higher qualifications in insurance issues;

(c) have successfully completed appropriate training in relation to insurance contracts, which the person will promote, as certified by the insurance undertaking in which he served as a trainee and which he will represent:

Provided that the Superintendent, if from the contract of the ancillary insurance intermediary is satisfied that there is a clear limitation as to the nature of the mediation business to be pursued by the ancillary insurance intermediary and having regard to the Guideline he issues under section 366 of the Law, may register the natural person in

the Ancillary Insurance Intermediaries Register, without this person holding the qualifications of paragraph (b).

(4) In order for a natural person to be entered in the Insurance Brokers' Register, the natural person needs, in addition to the qualifications referred to in paragraph (2) and the requirements of subsection (4) of section 372 of the Law, to be a holder of a recognised university degree or title or other equivalent qualification or other suitable professional qualification in subjects related to the work he is going to carry out or the duties he is going to perform in the legal person:

Provided that for the individual to be registered in the Insurance Brokers' Register, the natural person must hold the Certificate of subparagraph (b) of paragraph (2) and for Non-Life and Life Insurance, unless he can demonstrate that he only deals with one of the two classes of insurance.

**Documents to be submitted together
with the application for registration
as an Intermediary**

33. (1) Subject to paragraphs (2) to (4), together with the application of an intermediary for registration in one of the registers kept under paragraphs (a) and (b) of subsection (1) of section 370 of the Law, in addition to the documents provided for in section 375 of the Law, the following documents shall also be submitted-

(a) a professional liability insurance certificate or an equivalent certificate as set out in subsection (1) of section 371 of the Law or, provided that the Superintendent requests it, a copy of the professional liability insurance policy;

(b) the documents provided for in Regulation 15-

(c) the original or a certified copy of the insurance intermediary contract, unless the application concerns the registration in the Insurance Brokers' Register or the Insurance Brokers Undertakings' Register or the registration of an intermediary who represents the Lloyd's Insurance Union; and

(d) a statement from the person on whose behalf the applicant carries out insurance mediation business that it wishes to register him, unless the application concerns the entry in the Insurance Brokers' Register or the Insurance Brokers Undertakings' Register.

(2) If the applicant is a natural person applying for his registration in the Registers under paragraphs (b) or (c) of subsection (1) of section 373 of the Law, instead of the declaration referred to in subparagraph (d) of paragraph

(1), a declaration of the legal entity on behalf of which he will act, or manage or be a partner that it agrees with the proposed registration shall also be submitted.

(3) If the applicant is a legal entity the following shall also be submitted-

(a) a copy of the Memorandum and Articles of Association of the undertaking or any other corresponding document, duly certified, as in force at the time of their submission, and any other incorporation document, where applicable, duly certified by the Registrar of Companies;

(b) the prescribed form which includes details on the identity, the academic, the professional qualifications and the experience of the persons running the undertaking, as set out in Regulation 32;

(c) the documents referred to in Regulation 15 for the persons running the undertaking and those having a qualifying holding in the undertaking or where appropriate the partners of the undertaking;

(d) a list of the natural persons who have already registered or have applied for registration in the Registers of paragraph (a) of subsection (1) of section 370 of the Law, who in accordance with paragraphs (b) and (c) of subsection (1) of section 374 of the Law are going to pursue mediation business on behalf of the legal entity and the directors of the legal entity, or persons having a qualifying holding in it, or the partners of the legal entity, mentioning their capacity in the legal entity, their residence address and their registration number in the Registers of paragraph (a) of subsection (1) of section 370 of the Law.

(4) If the applicant was already registered in one of the Registers of subsection (1) of section 370 of the Law and wishes to be entered in the same or another Register, he shall, in addition to what is stated in paragraph (1) produce a certificate from all insurance undertakings on behalf of which he carried out mediation business, that he does not owe them any amounts received from the insured, in contravention of subsection (1) of section 386 of the Law and Regulation 44 and / or any other amounts related to his production given to him by the said insurance companies, either as loans or advances on the basis of the cooperation contracts signed between them.

(5) If the legal entity is an insurance brokers' undertaking, he shall submit financial statements in full compliance with the provisions of paragraph (d) of subsection (1) of section 373 of the Law.

Extension of the registration of an intermediary

34. (1) If an intermediary, who is already entered in one of the Registers of paragraphs (a) or (b) of subsection (1) of section 370 of the Law, wishes to expand his registration in order to pursue mediation business on behalf of another undertaking or an additional insurance undertaking, either to carry out Non-Life insurance business, in addition to Life insurance, in which he already carries out business and vice versa, he shall submit an application to extend the registration.

(2) Together with the extension application the following shall be submitted -

(a) the information referred to in paragraph (1) of Regulation 33, other than the information referred to in paragraph (f), which shall be resubmitted only if it has changed since it was initially submitted or in the case of information referred to in the Regulation if more than three months have elapsed since its issue:

Provided that the professional liability insurance certificate or an equivalent certificate shall be resubmitted only if the insurance period, according to the certificate initially presented has expired;

(b) a confirmation from all insurance companies on behalf of which the intermediary applying for extension carries out mediation business, that he does not owe them any amounts collected by the insured, in contravention of subsection (1) of section 386 of the Law and Regulation 44 and / or any other amounts related to his production or given him by the said insurance undertakings either as loans or as advances on the basis of cooperation contracts signed between them.

Provided that in the case of an insurance broker or an insurance brokers' undertaking, as well as in the case of an insurance sub-agent or an insurance sub-agents' undertaking, if they are acting on behalf of a brokers' undertaking, the relevant certificate shall be provided by the insurance undertakings, with which they have concluded an insurance contract following the mediation.

Data to be entered in the registers and method of entry and access to these data

35. (1) In the Insurance Intermediaries' Registers kept by the Service, under paragraphs (a) and (b) of subsection (1) of section 370 of the Law, at least the following data shall be entered:

(a) the name and surname of the natural person, or the name in the case of a legal person, the business address of the intermediary and his contact information, as well as the number of the certificate of his registration, renewals and any expansions or deletions thereof:

Provided that, if the intermediary is a natural person registered under paragraph (b) or (c) of subsection (1) of section 373 of the Law, his capacity is entered separately in the appropriate register:

Provided further that, if the intermediary is a legal person, the names of the directors who are responsible for the exercise of mediation business or its partners, depending on the legal form of the entity, are entered in the Register;

(b) the Member states in which the intermediary has declared that he carries out mediation business.

(2) In the Intermediaries' Registers kept by the Service in accordance with paragraph (c) of subsection (1) of section 370 of the Law, the following details shall be entered inter alia: the identity, address and the register in which intermediaries are entered who wish to carry out mediation business in the Republic under the regime of the freedom to provide services or the freedom of establishment, as well as the details of the supervisory authority of their home Member state.

(3) The Registers in section 370 of the Law shall be kept electronically and be constantly updated.

Registration certificate.

36. (1) The Registration Certificate includes the data set out in section 376 of the Law and is issued in the prescribed form.

(2) Where the Superintendent renews the registration of a natural or legal person in one of the registers referred to in subsection (1) of section 370 of the Law, he shall issue a new Registration Certificate in place of the existing one.

(3) If a change in the data is notified to the Superintendent under section 384 of the Law, the Superintendent shall issue a new Registration Certificate in place of the existing one, if any piece of the information mentioned in the Certificate has changed.

**Renewal of the registration
of an intermediary**

37. (1) An intermediary, who wishes to renew his registration in one of the registers of paragraphs (a) and (b) of subsection (1) of section 370 of the Law, shall submit an application in accordance with subsection (2) section 377 of the Law together with -

(a) the information specified in subparagraph (a) of paragraph (1) and the list referred to in subparagraph (iv) of paragraph (3) of Regulation 33 of these Regulations;

(b) the accompanying documents referred to in Regulation 15 of these Regulations for the applicant, if he is a natural person or for the persons referred to in paragraphs (b) and (c) of subsection (1) of section 373 of the Law, where the applicant is a legal person applying for the renewal of its registration in the Registers of paragraphs (a) and (b) of subsection (1) of section 370 of the law;

(c) a confirmation by all insurance undertakings on behalf of which the person carries out mediation business that he does not owe them any amounts received by the insured, in contravention of subsection (1) of section 386 of the Law and Regulation 42 of these regulations or any other amounts related to his production which were given to the person by those insurance undertakings either as loans or as advances on the basis of cooperation contracts signed between them;

(d) an appropriate training certificate, if any data concerning the mediation work he may carry out have changed;

(e) concerning insurance brokers' undertakings, a copy of a statement of business allocation submitted under subsection (2) of section 385 of the Law;

(2) The registration of an ancillary insurance intermediary in the Ancillary Insurance Intermediaries' Register, or in the Register of Ancillary Insurance Intermediaries' Undertakings may be renewed, provided that the insurance undertaking has submitted a relevant application under subsection (2) of section 377 of the Law, together with-

(a) the information set out in subparagraph (a) of paragraph (1) and the list referred to in subparagraph (iv) of paragraph (3) of Regulation 33 of these Regulations;

(b) the accompanying documents referred to in Regulation 15 of these Regulations for the applicant, if he is a natural person or for the persons referred to in paragraphs (b) and (c) of subsection (1) of

section 373 of the Law, if the applicant is a legal person applying for the renewal of his registration in the Register of paragraphs (a) and (b) of subsection (1) of section 370 of the law;

(c) a certificate about appropriate training, in case any data concerning the mediation business he may exercise have changed.

(3) A third country intermediaries' undertaking, which wishes to renew its registration in the Register of paragraph (b) of subsection (1) of section 370 of the Law shall submit, in addition to the documents mentioned in subsection (1) -

(a) a confirmation from the competent supervisory authority of the member state of origin that it continues to have authorisation in its headquarters to carry out such mediation business; and

(b) a certificate from the third country undertaking that its representative in the Republic in accordance with paragraph (b) of subsection (2) of section 374 of the Law, continues to be authorised to act on its behalf and to run the operations of the branch in the Republic.

**Fees for registration, renewal
and change of data in the
Intermediaries' Register.**

38. (1) For the examination of an application of an intermediary for registration-

(a) in one of Registers kept under paragraph (a) of subsection (1) of section 370 of the Law, a fee of seventy (€70) euro shall be paid-

(b) in one of Registers of legal persons kept under paragraph (b) of subsection (1) of section 370 of the Law, a fee of one hundred (€100) euro shall be paid.

2) For any subsequent application of the intermediary to extend his business or for registration in another Register, a fee of thirty-five (€35) euro shall be paid.

(3) For a change in the declared name or address of the intermediary a fee of twenty (€20) euro shall be paid.

(4) For each application for renewal of the registration of an intermediary -

(a) in the case of the Registers kept under paragraph (a) of subsection (1) of section 370 of the Law, a fee of seventy (€70) euro shall be paid.-

(b) in the case of the Registers kept under paragraph (b) of subsection (1) of section 370 of the Law a fee of (€100) euro shall be paid;

(c) where the application for renewal of the registration of an intermediary is submitted within three months from its last amendment, the fee for the renewal application shall be reduced by the amount of the fee paid for the last amendment;

(d) where the application is not submitted at least one month before the expiry of the validity of registration of the intermediary, the fee in accordance with subparagraph (a) or (b), is doubled.

(5) The fees of this Regulation shall be paid by the applicants who asked to be entered in the Registers of paragraph (a) or (b) of subsection (1) of section 370 of the Law, unless it concerns an ancillary insurance intermediary, where the fees are paid by the insurance undertaking, he will represent:

Provided that the fees paid shall not be returned.

Contents of the agency contract

39. (1) Between the insurance agent, including the insurance agency, and the insurance undertaking on behalf of which the insurance agent intends to act, an agency contract shall be concluded in writing, in accordance with section 367 of the Law, which shall clearly include the rights and obligations of the contracting parties.

(2) The agency contract shall specify, where applicable at least the following -

(a) the insurance classes in which the agent is entitled to carry out mediation business;

(b) the capability of accepting risks under the terms and limitations of the contract;

(c) the capability of issuing and signing insurance policies or endorsing and handing over to policyholders the insurance policies issued by the insurance undertaking;

d) the method of settlement of claims under the conditions and restrictions contained in the contract;

(e) the capability of signing contracts with insurance sub-agents' undertakings or insurance sub-agents or insurance intermediaries, under the terms of the agency contract-

(f) the capability of the insurance agent, or if the provisions of subparagraph (e) apply, the capability of the insurance sub-agent, to collect premiums and other amounts

Provided that where premiums and other monetary amounts are collected, the contract shall also define the procedure for the handing over of the amounts collected, subject to the provisions of Regulation 44 of these Regulations;

(g) the method of calculation of the remuneration of the insurance agent-

(h) the conditions for terminating the contract;

(i) whether the insurance company is responsible or not for the actions of the insurance agent in the performance of his work:

Provided that the requirement under subparagraph (i) shall be required in cases of new registration of an insurance agent or renewal of his registration.

(3) The contract shall expressly state the obligations of the insurance agent towards the insurance undertaking, the policy holders or persons wishing to conclude an insurance policy and in general the insurance legislation in force at any given time relating to his competences.

Contents of the contract of an insurance sub-agent

40. (1) Between the insurance sub-agent, including an insurance sub-agents' undertaking, on the one hand, and the insurance agent, including the insurance agency undertaking or the insurance brokers' undertaking, on the other, on behalf of which the insurance sub-agent intends to act, a contract shall be concluded in writing in accordance with section 367 of the Law, which clearly provides for the rights and obligations of the parties.

(2) The sub-agent's contract, where applicable, shall at least specify -

(a) the duties, responsibilities and powers of the insurance sub-agent and in particular the terms of cooperation with the insurance agent or the insurance brokers' undertaking-

b) the insurance classes where he has the right to carry out mediation business-

(c) the capability of the insurance broker to collect premiums and other moneys, if he been given such a right:

Provided that where there is collection of premiums and other moneys, the procedure for handing over the amounts collected shall be specified, subject to the provisions of Regulation 44 of these Regulations;

(d) the method of remuneration of the insurance sub-agent

(e) conditions for terminating the contract.

(3) The contract shall expressly state the obligations of the insurance sub-agent towards the person he represents, the insured and / or the persons wishing to conclude an insurance policy and of the applicable insurance legislation relating to his competences.

**Contents of the
Contract of an
Insurance Advisor**

41. (1) Between the insurance advisor, including an insurance advisors' undertaking and the insurance undertaking on behalf of which the insurance advisor intends to act, an insurance advisor's contract shall be concluded in writing in accordance with section 367 of the Law, which clearly specifies the rights and obligations of the contracting parties.

(2) The insurance advisor's contract, where applicable, shall specify at least -

(a) the duties, responsibilities and competences of the insurance advisor and in particular his terms of cooperation with the insurance undertaking;

(b) the insurance classes in which he has the right to carry out mediation business;

(c) the capability of the insurance advisor to collect premiums and other moneys, if he has been given such a right:

Provided that where there is collection of premiums and other moneys, the procedure for handing over the amounts received, subject to the provisions of Regulation 44 of these Regulations, shall be specified;

(d) the method of calculation of the remuneration of the insurance advisor-

(e) the conditions for terminating the contract;

(f) whether the insurance undertaking is responsible or not for the actions of the insurance advisor in the performance of his work:

Provided that the requirement under subparagraph (f) is required in the cases of a new registration of an insurance advisor or renewal of his registration.

(3) The contract shall expressly state the obligations of the insurance advisor towards the insurance undertaking, the policy holders and/or persons wishing to effect insurance and the general insurance legislation relating to his competences.

**Contents of the contract of
an ancillary insurance intermediary**

42. (1) Between the ancillary insurance intermediary, including an ancillary insurance intermediaries' undertaking and the insurance undertaking, on behalf of which the ancillary insurance intermediary intends to act, an ancillary insurance intermediary contract shall be concluded in writing, in accordance with section 367 of the Law, which shall clearly specify the rights and obligations of the contracting parties.

(2) The ancillary insurance intermediary contract, where applicable, shall specify at least the following -

(a) the duties, responsibilities and competences of the ancillary insurance intermediary and in particular the terms of his cooperation with the insurance undertaking;

(b) the insurance classes in which he has the right to carry out the mediation business;

(c) any possibility of endorsing specific categories of insurance contracts, if this is provided for in the instructions of the Superintendent issued under the Law;

(d) the method of calculation of the remuneration of the ancillary insurance intermediary;

(e) the conditions for the termination of the contract.

(3) The contract shall expressly state the obligations of the ancillary insurance intermediary towards the insurance undertaking, the policy holders or persons wishing to conclude insurance and the insurance legislation in force relating to his competences.

(4) The contract shall expressly state, pursuant to subsection (3) of section 366, that he acts under the full responsibility of the insurance undertaking on behalf of which he carries out mediation work.

Updating on the legislative framework

43. The insurance undertaking shall inform the intermediaries with whom it has concluded a mediation contract in accordance with section 367 of the Law on the insurance legislation concerning the mediation business in Non-Life and Life Insurance, it agrees that the intermediaries will carry out.

Handing over of premiums

44. (1) Every person engaged in mediation business shall hand over within the time limit and in accordance with the terms of handing over the insurance premiums, set out in the instructions of the Superintendent issued under the Law, to the person he represents or deposit in a bank account in the name of the latter, all insurance premiums and any other moneys he collects:

Provided that the time limit of handing over premiums and other moneys may vary according to the Registry, in which the intermediary is registered.

(2) Every insurance agent or insurance agency shall enter in a separate column in the registration book the insurance contracts kept by him, pursuant to subsection (3) of section 361 of the Law, information in connection with the insurance contracts concluded through him, the collection date of the corresponding premiums and any other moneys.

(3) Violation of these provisions is a criminal offence punishable with imprisonment of up to three months or a fine not exceeding three thousand five hundred euro or with both such imprisonment and fine.

Information to be provided by the intermediary before or during the provision of mediation services.

45. (1) Without prejudice to the obligations of the intermediary set out in sections 225 to 227 of the Law and Regulations 20 to 23, before the conclusion of any initial insurance contract, and if necessary during its renewal or amendment, the intermediary shall provide to the person wishing to effect insurance at least the following information:

(a) his identity and address;

(b) the Register in which he is registered and the means for verifying the registration;

(c) any direct or indirect participation exceeding 10% of the voting rights or the capital of a particular insurance undertaking;

(d) where the intermediary is a legal person, any direct or indirect participation of the specific insurance undertaking or the parent company of the latter exceeding 10% of the voting rights or capital;

(e) any provision in the mediation contract under subsection (4) of section 386 of the Law, that the premiums collected by the intermediary shall not be counted in respect of the insured as paid to the insurance undertaking with their collection by intermediary-

(f) any existing out of court procedure for resolving disputes, and the right of insured persons to submit complaints about the intermediaries and the relevant procedure of such complaints.

(g) whether, as regards the proposed contract-

(i) he gives advice based on the obligation in paragraph (2) to provide an impartial analysis; or

(ii) has a contractual obligation to conduct mediation business exclusively with one or more insurance undertakings and in this case, at the request of the person interested in effecting an insurance, inform him of the names of those insurance undertakings; or

(iii) has no contractual obligation to conduct mediation activities exclusively with one or more insurance undertakings and does not give advice based on the obligation in paragraph (2) to provide impartial analysis and in this case, at the request of the person interested in concluding an insurance, inform him of the names of the insurance undertakings with which he may carry out and actually does carry out business:

Provided that, for those cases where specific information is given only at request of the person interested in concluding insurance, the intermediary shall inform the interested person in concluding insurance about his right to request such information.

(2) Where the intermediary informs the person interested in concluding insurance that he is giving advice based on impartial analysis, he shall give that advice based on an analysis of a sufficient number of insurance contracts available on the market so to be able to recommend, according to professional

criteria, the insurance policy that best meets the needs of the person interested in concluding insurance.

(3) Before the conclusion of any insurance contract, the intermediary shall, at least, based mainly on the information which was provided by the person interested in concluding insurance, to clarify the requirements and needs of the person interested in concluding insurance and the grounds on which he based the advice given to the person interested in concluding insurance regarding the specific insurance product.

Provided that these details shall be differentiated according to the complexity of the proposed insurance contract.

4. Any information given to persons interested in concluding an insurance contract shall be notified-

(a) in writing or on another durable medium available and accessible to the customer:

Provided that, if the customer requests it, or where immediate cover is required, the information may be given orally before the conclusion of the insurance contract and in writing immediately after the conclusion of the insurance contract.

(b) in a clear and accurate manner, so that the client understands it;

(c) in an official language of the Republic or in any other language the parties have agreed among themselves:

Provided that such information may be notified in an official language of the member state of the insurance obligation or the insured risk.

(5) In the case of insurance through telephone, the prior information given to the person interested in concluding insurance, shall be at least equivalent to those provided for by the Law adopting the Directive 2002/65 / EC of the European Parliament and the Council of 23.9.2002 concerning the distance marketing of consumer financial services. If an insurance policy is concluded, the insured shall be given in writing the information set out in this paragraph immediately after the conclusion of the insurance policy.

Repeals.

Official Gazette

Third (I) Annex

19.04.2002

3.10.2003

26.11.2004

27.11.2009.

46. The Insurance Business and Other Related Issues Regulations of 2002-2009 shall be repealed upon entry into force of these Regulations.

