

THE CENTRAL BANK OF ARMENIA

BOARD RESOLUTION

Approval of Regulation 3/07 on “Outsourcing Operations under Insurance Operations Outsourcing Agreement, Documents and Information to be Submitted to the Central Bank of Armenia to Obtain Prior Authorization to Outsource Insurance Operations, their Content, Filing Procedures and Forms. Rules and Conditions for Obtaining Prior Authorization to Outsource Insurance Operations”*

By virtue of the Republic of Armenia Law on “Insurance and Insurance Activities” Article 53, Paragraph 2 (7), Article 54 Paragraphs 2 and 3, the Republic of Armenia Law on “The Central Bank of Armenia”, Article 2, Paragraph 3 Article 20, (e) and the Republic of Armenia Law on “Legal Acts”, Article 16 the Board of the Central Bank of Armenia enacts:

1. Approve Regulation 3/07 on “Outsourcing Operations under Insurance Operations Outsourcing Agreement, Documents and Information to be Submitted to the Central Bank of Armenia to Obtain Prior Authorization to Outsource Insurance Operations, their Content, Filing Procedures and Forms. Rules and Conditions for Obtaining Prior Authorization to Outsource Insurance Operations”, pursuant to attached Appendix;
2. This Resolution shall come into force on the tenth day after its publication.

T. Sargsyan
Chairman of the Central Bank of Armenia
December 17, 2007, N 408-L

** Non official translation Approved by the Central Bank Board on December 11, 2007
Registered by the Ministry of Justice of the RA on 17.01.08 (RA N3 (277), 29.01.08)*

Outsourcing Operations under Insurance Operations Outsourcing Agreement, Documents and Information to be Submitted to the Central Bank of Armenia to Obtain Prior Authorization to Outsource Insurance Operations, their Content, Filing Procedures and Forms. Rules and Conditions for Obtaining Prior Authorization to Outsource Insurance Operations”

REGULATION 3/07

CHAPTER 1. GENERAL PROVISIONS

1. This Regulation shall define the list of operations under insurance operations outsourcing agreement, documents and information to be submitted to the Central Bank of Armenia) to obtain prior authorization to outsource insurance operations, their content, filing procedures and forms, as well as provide rules and conditions for obtaining prior consent to such operations.

2. Insurance companies may outsource under the insurance operations outsourcing agreement the following operations:

- 1) Operations specified by the Republic of Armenia Law on “Insurance and Insurance Activities”, Article 53, Paragraph 2 (1-6);
- 2) Inspection of insurance objects and/or assessment of possible occurrence of accident or event.

CHAPTER 2. DOCUMENTS AND INFORMATION, THEIR CONTENT, FILING PROCEDURES AND FORMS TO BE SUBMITTED TO THE CENTRAL BANK OF ARMENIA TO OBTAIN PRIOR AUTHORIZATION TO OUTSOURCE INSURANCE OPERATIONS

3. Insurance companies shall submit to the Central Bank of Armenia (hereinafter referred to as Central Bank) the following documents and information to obtain a prior authorization on outsourcing of operations under the insurance operations outsourcing agreement:

- 1) Application form for obtaining authorization on outsourcing of operations under the insurance operations outsourcing agreement (Appendix 1);
- 2) Documents and information specified by the Armenian Law on “Insurance and Insurance Activities”, Article 54, Paragraph 2. Furthermore:
 - a. legal status of the counterparty shall be provided to comply with Form 2 of this Appendix;
 - b. information on operations transferred under the insurance operations outsourcing agreement to comply with Form 1 of this Appendix;
 - c. financial statements for proceeding three years of the counterparty and independent auditor’s opinions thereon;
 - d. financial statements and independent auditor’s opinions of the counterparty for proceeding three years shall not be provided if the counterparty is a person who carries out audit activities;
 - e. financial statements of resident counterparty shall be extended in compliance to the Accounting Standards of the Republic of Armenia, and those of non-resident counterparty in compliance to the International Accounting Standards;
- 3) Reference by an authorized state body which assures by null court decision that the counterparty is not recognized as bankrupt or insolvent. Foreign legal entities shall provide reference from their resident country issued by a similar authorized body, if available. This does not apply to the counterparties acting under supervision of the Central Bank;
- 4) In case of non-resident counterparties an appropriate statement which assures that no any license or other special authorization is required by laws of the counterparty’s country for carrying out the named operations, and if otherwise appropriate documents certifying the availability of such license or authorization;
- 5) Copy of the insurance operations outsourcing agreement;
- 6) Outsourcing terms if the insurance operations outsourcing agreement fails to provide.

4. The Central Bank may request from insurance companies additional information referring to outsource of insurance operations to ascertain information adequacy stated in Paragraph 3 of this Regulation.

5. The Central Bank may request additionally the official statute of the counterparty in case if it has doubts in respect to legality of operations the counterparty carries out for outsourcing.

CHAPTER 3. RULES AND CONDITIONS TO OBTAIN PRIOR AUTHORIZATION FOR INSURANCE OPERATIONS OUTSOURCING

6. The Central Bank, after receiving the required documents and information for authorizing the insurance operations outsourcing of the insurance company as provided for by Paragraph 3 of this Regulation, shall grant such an authorization or reject it within 30 days on ground of and by notification of the Financial Supervision Head of the Central Bank. In case if insurance company fails anyway to be notified within 30 days in the above mentioned manner, this prior authorization is considered to be granted.

7. The Central bank shall give its consent to outsourcing of insurance operations provided it complies with the Republic of Armenia Law on “Insurance and Insurance Activities”, Article 54, Paragraph 4 provisions and that documents extended by the company are true and/or complete or contain adequate and/or true information.

Outsourcing Operations under Insurance Operations Outsourcing Agreement, Documents and Information to be Submitted to the Central Bank of Armenia to Obtain Prior Authorization to Outsource Insurance Operations, their Content, Filing Procedures and Forms. Rules and Conditions for Obtaining Prior Authorization to Outsource Insurance Operations

Chairman of the Central Bank

APPLICATION FORM

Dear _____,

Under Insurance operations outsourcing agreement N----- signed -----200 between

_____ and _____
(insurance company name, legal status) (counterparty name, legal status)

the following operations (indicate only the outsourced) by _____ has/have been outsourced
(counterparty name)

to _____
(insurance company name)

- Insurance agency services related to insurance intermediation activities;
- Investment or asset management;
- Assessment and management of risks, possible losses and recovery resulted by insurance contracts;
- Accounting;
- Insured objects valuation;
- Actuary functions;
- Inspection of insured objects and/or assessment of possible occurrence of accident or event.

Pursuant to the Republic of Armenia Law on “Outsourcing Operations under Insurance Operations Outsourcing Agreement, Documents and Information to be Submitted to the Central Bank of Armenia to Obtain Prior Authorization to Outsource Insurance Operations, their Content, Filing Procedures and Forms. Rules and Conditions for Obtaining Prior Authorization to Outsource Insurance Operations” approved by the Board of the Central Bank of the Republic of Armenia Resolution N----, -----2007, we, herein under provide all the documents and information required for obtaining prior authorization to outsource insurance operations and expect your kind decision thereon.

We assure that we have scrupulously studied the information contained in the documents attached to this Application form and that this information is true and complete to the best of our knowledge. We are aware that any false or incomplete information will bring to rejection of this application.

_____ pages

Applicant

(full name of the authorized person of the organization, signature)

(phone number, residence (location))

“ _____ ” “ _____ ” 200_.

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Chairman of the Central Bank

**REFERENCE
On LEGAL STATUS OF COUNTERPARTY**

Legal entity – data on counterparty (organization)	
1. Name	
2. Residence /tax payer registration number (for residents)	
3. Date of registration _____ location _____ <i>day/ month/ year</i>	
4. Nature of activity of the organization, licenses available, other authorizations	

We assure that we have scrupulously studied the information contained in the documents attached to this Application form and that this information is true and complete to the best of our knowledge. We are aware that any false or incomplete information will bring to rejection of this application.

Authorized person of the counterparty organization

(name of counterparty, full name of the authorized person, signature)

(phone number, address)

“ _____ ” “ _____ ” 200 _____