

**“Registered”**

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Republic of Armenia  
on January 17, 2008  
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**THE CENTRAL BANK OF ARMENIA  
BOARD RESOLUTION  
Number 408-N  
December 12, 2007**

**ON APPROVAL OF REGULATION 3/07 ON “THE FUNCTIONS, SUBJECT TO  
OUTSOURCING BY THE CONTRACT OF OUTSOURCING OF INSURANCE  
FUNCTIONS, THE DOCUMENTS AND INFORMATION, SUBMITTED TO THE CENTRAL  
BANK OF THE REPUBLIC OF ARMENIA FOR GETTING THE PRELIMINARY  
PERMISSION TO OUTSOURCE THE INSURANCE FUNCTIONS, THEIR CONTENT,  
PROCEDURE AND FORM OF SUBMISSION AND THE PROCEDURE AND TERMS OF  
GETTING THE PRELIMINARY PERMISSION”<sup>1</sup>**

**Pursuant to** point 7 of part 2 of Article 53, parts 2 and 3 of Article 54 of the Law of the Republic of Armenia “On insurance and insurance activities”, part 3 of Article 2, point “e” of Article 20 of the Law of the Republic of Armenia “On the Central Bank of the Republic of Armenia”,

**In conformity with** the provisions of Article 16 of the Law of the Republic of Armenia “On legal acts”, the Board of the Central Bank of the Republic of Armenia

**d e c i d e s:**

1. to approve Regulation 3/07 on “The functions, subject to outsourcing by the contract of outsourcing of insurance functions, the documents and information, submitted to the Central Bank of the Republic of Armenia for getting the preliminary permission to outsource the insurance functions, their content, procedure and form of submission and the procedure and terms of getting the preliminary permission”, in accordance with the Appendix.

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<sup>1</sup> This Regulation includes the amendments and supplements and all other changes endorsed under the following Resolutions of the Board of the Central Bank:  
No. 316-N, dated 29.11.10; No. 356-N, dated 20.12.11

2. This Resolution shall come into force on the tenth day after its official publication.

**Chairman of the Central Bank  
of the Republic of Armenia**

**Tigran Sargsyan**

**Appendix**  
of Resolution of the Board of the Central Bank  
of the Republic of Armenia, number 408-N,  
dated December 11, 2007

**THE FUNCTIONS, SUBJECT TO OUTSOURCING BY THE CONTRACT OF  
OUTSOURCING OF INSURANCE FUNCTIONS, THE DOCUMENTS AND  
INFORMATION, SUBMITTED TO THE CENTRAL BANK OF THE REPUBLIC OF  
ARMENIA FOR GETTING THE PRELIMINARY PERMISSION TO OUTSOURCE THE  
INSURANCE FUNCTIONS, THEIR CONTENT, PROCEDURE AND FORM OF  
SUBMISSION AND THE PROCEDURE AND TERMS OF GETTING THE PRELIMINARY  
PERMISSION**

**REGULATION 3/07**

**CHAPTER 1. GENERAL PROVISIONS**

1. This regulation defines the list of functions, subject to outsourcing by the contract of outsourcing of insurance functions, the list of documents and information, submitted to the Central Bank of the Republic of Armenia for getting the preliminary permission to outsource the functions by the contract of outsourcing of insurance functions, their content, the procedure and form of their submission and the procedure and terms of getting of getting the preliminary permission.

2. Insurance companies may outsource the following functions by the contract of outsourcing of insurance functions:

- 1) the functions, specified by points 1-6 of part 2 of Article 53 of the Law of the Republic of Armenia “On insurance and insurance activities”,
- 2) examination of the object of insurance and (or) assessment of probability of occurrence of the incident or event,
- 3) expert examination of the reasons, causing the insurance accident.

**(point 2 was amended, supplemented by Resolution No. 316-N, dated 29.11.10)**

2.1. The requirements, specified by Chapters 2 and 3 of this Regulation, do not apply to the outsourcing of the function of expert examination of the reasons, causing the insurance accident on compulsory insurance of motor third-party liability to the public body, responsible for ensuring the road traffic safety, as well as to the body of criminal

prosecution. The preliminary permission of the Central Bank for the outsourcing, specified by this point, is considered as provided under this Regulation.

**(point 2.1 was added by Resolution No. 316-N, dated 29.11.10, supplemented by Resolution No. 356-N, dated 20.12.11)**

## **CHAPTER 2. THE DOCUMENTS AND INFORMATION, SUBMITTED TO THE CENTRAL BANK OF THE REPUBLIC OF ARMENIA FOR GETTING THE PRELIMINARY PERMISSION TO OUTSOURCE THE INSURANCE FUNCTIONS, THEIR CONTENT, THE PROCEDURE AND FORM OF THEIR SUBMISSION**

3. To get the preliminary permission of the Central Bank of the Republic of Armenia (hereinafter, Central Bank) to outsource the functions by the contract of outsourcing of the insurance functions, the insurance company submits the following documents and information to the Central Bank:

- 1) the application for getting the permission to outsource the functions by the contract of outsourcing of insurance functions (in accordance with Appendix 1 of this Appendix),
- 2) the documents and information, specified by part 2 of Article 54 of the Law of the Republic of Armenia “On insurance and insurance activity” (hereinafter, Law); furthermore, the information about the legal status of the counterparty is being submitted in accordance with Appendix 2 of this Appendix,
- 3) the statement, provided by the state competent body, about the absence of the Court decision, according to which the counterparty is considered as bankrupt or insolvent. The foreign legal entity submits the statement, provided by the body, conducting similar authorities in its home country, if any. This sub-point does not apply to the counterparties, supervised by the Central Bank,
- 4) in case of non-resident counterparties – a statement, that no license or special other permission is required by legislation of the home country of the counterparty for performing the outsourced functions; and if they are required – the documents, certifying the existence of the license or the permission,
- 5) the copy of the contract of outsourcing of the insurance functions,
- 6) the time-period of outsourcing of insurance functions, in case it is not mentioned in the contract of outsourcing of insurance functions,
- 7) in case of outsourcing of the functions, specified by point 1 of part 2 of Article 53 of the Law – the documents, specified by paragraph “d” of point

1 of part 1 of Article 103 of the Law, paragraph “e” of sub-point 1, as well as sub-point 3 and 4 of point 103 of Regulation 3/01, approved by Resolution of the Board of the Central Bank of the Republic of Armenia number 344-N, dated October 30, 2007, except for the cases, when those documents have been previously submitted to the Central Bank. Furthermore, the documents, specified by sub-point 4, mentioned in this sub-point, are being submitted starting from March 1, 2012.

**(point 3 was amended by Resolution No. 316-N, dated 29.11.10; edited and supplemented by Resolution No. 356-N, dated 20.12.11)**

4. The Central Bank may require other information from the insurance company about the outsourcing of insurance functions, in order to ensure the reliability of the information, mentioned in point 3 of this Regulation.

5. The Central Bank may require the Charter of the foreign counterparty, approved by the competent body, if the Central Bank has any doubts about the authority of the counterparty to perform the outsourced functions.

**(point 5 was supplemented by Resolution No. 356-N, dated 20.12.11)**

### **CHAPTER 3. THE PROCEDURE AND TERMS OF GETTING THE PRELIMINARY PERMISSION TO OUTSOURCE THE INSURANCE FUNCTIONS**

6. After receiving the documents and information, mentioned in point 3 of this Regulation, from the insurance company for getting the preliminary permission of the Central Bank to outsource the insurance functions, the Central Bank provides the permission to outsource the insurance functions or rejects it within a 30-day period with a letter from the head of Financial Supervision Department of the Central Bank. If within the 30-day period the insurance company does not receive the letter of the head of Financial Supervision Department of the Central Bank on providing or rejecting the preliminary permission to outsource the insurance functions, then the preliminary permission is being considered as granted.

7. The Central Bank permits the outsourcing of insurance functions, if the grounds, specified by part 4 of Article 55 of the Law of the Republic of Armenia “On insurance and insurance activities”, are missing and the submitted documents are not false and (or) incomplete or they do not reflect unreliable and (or) false data.

8. In case of terminating the contract of outsource of insurance functions with the counterparty, the insurance company shall inform the Central Bank about it within 3 days.

**(point 8 was supplemented by Resolution No. 316-N, dated 29.11.10)**

**Appendix 1**

of Regulation 3/07 on

“The functions, subject to outsourcing by the contract of outsourcing of insurance functions, the documents and information, submitted to the Central Bank of the Republic of Armenia for getting the preliminary permission to outsource the insurance functions, their content, procedure and form of submission and the procedure and terms of getting the preliminary permission”

To \_\_\_\_\_  
Chairman of the Central Bank

**APPLICATION**

***for getting the preliminary permission to outsource the insurance functions***

Dear \_\_\_\_\_,

The following functions of \_\_\_\_\_ have been  
*(name of the insurance company)*  
outsourced to \_\_\_\_\_, by contract of outsourcing  
*(name of the counterparty)*

of insurance functions, number \_\_\_\_\_ as of \_\_\_\_\_ 20\_\_\_\_, signed  
between \_\_\_\_\_ and  
*(name, legal organizational form of the insurance company)*

\_\_\_\_\_  
*(name of the counterparty)*

(only the outsourced functions should be mentioned)

- services of insurance agency, related to the insurance intermediary activity,
- management of investments or assets,
- conducting of cases of assessment, compensation of losses or loss recovery, emerging from insurance contracts,
- conducting of the accounting,

- assessment of the value of the insured object,
- actuarial functions,
- examination of the insured object and (or) the assessment of possibility of occurrence of the case or event,
- expert examination of the reasons of occurrence of the insurance accident.

In accordance with the Law of the Republic of Armenia “On insurance and insurance activities” and Regulation 3/07 on “The functions, subject to outsourcing by the contract of outsourcing of insurance functions, the documents and information, submitted to the Central Bank of the Republic of Armenia for getting the preliminary permission to outsource the insurance functions, their content, procedure and form of submission and the procedure and terms of getting the preliminary permission”, approved by the Resolution of the Board of the Central Bank of the Republic of Armenia, number 408-N, dated December 12, 2007, we submit the attached documents and information, necessary for getting the permission to outsource the functions by the contract of outsourcing of insurance functions.

We would like to ask for your permission.

We would like to assure you that we have reviewed in detail the information, included in each of the document, attached to this application. We would like to assure you, that the provided information is reliable and comprehensive; furthermore we realize that false submission or omission of any fact will lead to rejection of the application.

Attached, \_\_\_\_\_ pages.

The person, submitting the application

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*(name, surname, signature of the competent person of the organization)*

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*(phone number, place of residency (location))*

\_\_\_\_\_ 20\_\_\_\_\_

**(Appendix 1 was amended by Resolution No. 316-N, dated 29.11.10)**

**Appendix 2**

of Regulation 3/07 on

“The functions, subject to outsourcing by the contract of outsourcing of insurance functions, the documents and information, submitted to the Central Bank of the Republic of Armenia for getting the preliminary permission to outsource the insurance functions, their content, procedure and form of submission and the procedure and terms of getting the preliminary permission”

To \_\_\_\_\_

Chairman of the Central Bank

**REFERENCE**

***about the legal status of the counterparty***

<b>Data on the counterparty-legal entity (organization)</b>	
1.	Name _____
2.	Location/taxpayer’s identification number (for residents) _____ _____
3.	Registration date _____ place _____ number _____ day/month/year
4.	Nature of activity of the organization, available licenses, other permissions

We would like to assure you that we have reviewed in detail the information, included in each of the document, attached to this application. We would like to assure you, that the provided information is reliable and comprehensive; furthermore we realize that false submission or omission of any fact will lead to rejection of the application.

The competent person of the counterparty organization

\_\_\_\_\_  
*(name of the counterparty name, surname, signature of the competent person)*

\_\_\_\_\_  
*(phone number, address)*

“ \_\_\_\_\_ ” \_\_\_\_\_ 20\_\_\_\_



**(Appendix 2 was amended by Resolution No. 316-N, dated 29.11.10; edited by Resolution No. 356-N, dated 20.12.11)**