

**BOARD OF CENTRAL BANK  
OF REPUBLIC OF ARMENIA**

July 20, 2010

Number 162-N

**RESOLUTION  
ON APPROVING “MANDATORY REQUIREMENTS AND CONDITIONS FOR NOTICES  
AND MARKS PROVIDED BY INSURANCE COMPANIES TO POLICY HOLDERS”**

Based on part 16 of article 54 of the Republic of Armenia Law on Compulsory Insurance of Liability Arising out of Use of Motor Vehicles, part 5 of article 84 of the Republic of Armenia Law on Insurance and Insurance Activities and being guided by point “e” of article 20 of the Republic of Armenia Law on the Central Bank of the Republic of Armenia and article 16 of the Republic of Armenia Law on Legal Acts, the Board of the Central Bank of the Republic of Armenia *decides:*

1. To approve “Mandatory Requirements and Conditions for Notices and Marks Provided by Insurance Companies to Policy Holders” in accordance with Appendix (attached).
2. This resolution comes into effect on the tenth day after its official publication.

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

**A. Javadyan**

July 22, 2010  
Yerevan

**MANDATORY REQUIREMENTS AND CONDITIONS FOR NOTICES AND MARKS  
PROVIDED BY INSURANCE COMPANIES TO POLICY HOLDERS**

**C H A P T E R 1**

***SCOPE***

1. This Resolution shall cover insurance companies that have voluntarily concluded contracts under class of insurance of liability arising out of use (also by means of transportation) of land motor vehicles , and contracts that are effective on the date the Republic of Armenia Law on Compulsory Insurance of Liability Arising out of Use of Motor Vehicles (hereafter the Law) comes into effect and that the terms thereof expire after December 31, 2010 (hereafter Contracts).

2. The current Appendix specifies the mandatory requirements and conditions for the notices and marks (hereafter notices) provided by insurance companies to policy holders that are party to the Contracts regarding their rights of unilateral and early termination of the Contracts, as well as the voluntarily Contracts not being a replacement for the Compulsory Insurance of Liability Arising out of Use of Motor Vehicles ( MTPL) contracts.

**C H A P T E R 2**

***GENERAL CONDITIONS OF NOTICES***

3. The insurance company provides the notice not later than October 1st, 2010.
4. The notice shall be provided in due form. Notice is deemed to be provided in due form if it is provided at least in a written (by a registered mail and if available by electronic means of communication) and oral (by telephone) form.
5. Along with due notice, in case if the policy holder visits the place of operation of the insurance company, the insurance company may notify the policy holder in a written (personally presented) and oral form.
6. During the notification of the policy holder by the insurance company the following general principles shall be observed:
  - 1) Information presented shall be accurate and trustworthy;
  - 2) Information presented shall be on time and (adequately) complete;
  - 3) Information shall be presented in simple and comprehensible language (written text)

without confusing, difficult or misleading words, phrases, strictly professional, technical terms;

- 4) Information presented shall be in Armenian if no other language of notification is stipulated by the agreement of the parties. If information is presented in a foreign language as well, that information shall correspond to the Armenian version;

- 5) Information shall be presented in legible letter sizes and fonts and in a visible manner;
- 6) Information shall be presented in a manner so that the policy holder can easily find the information that is of interest (e.g. more important parts are presented in italics or bigger font size to attract policy holder's attention).

7. The written notice shall be provided in accordance with Appendix 1 of the present Appendix

(hereafter Leaflet). The Insurance company may change the text and design of the leaflet as well as bring them into line with its internal procedures but the leaflet has to include at least the information stipulated by point 8 of current Appendix.

8. The leaflet shall contain at least the following information:

- 1) insurance company name, postal address(s), telephone number(s), website address, electronic address(s) and other means of communication;
- 2) purpose of notification;
- 3) detailed information on the policy holder's right for unilateral early termination of the contract, including the description of the procedure of exercising that right or means to find out about the abovementioned procedure, as well as the consequences of early termination of the contract;
- 4) announcement that the contract concluded on voluntary basis does not replace the Compulsory Insurance of Liability Arising out of Use of Motor Vehicles (MTPL) contract;
- 5) note on the order of implementing the right for early termination of the contract;
- 6) announcement that the insurance company will not impose any fines or penalties for executing the right to terminate the contract;
- 7) announcement on where the policy holder can get more detailed information on the MTPL process and MTPL conditions.

9. The leaflet given at the place of operation shall be provided by the insurance company to

the policy holders that are party to the contract and to the policy holders that voluntarily conclude new contracts under class of insurance of liability arising out of use (also by means of transportation) of land motor vehicles, in case if they visit the insurance company.

10) In case of oral notification the employee of the insurance company shall:

- 1) report his name as well as the name of the company;
- 2) inform about the purpose of the call;
- 3) inform about the recording the telephone conversation if such occurs;
- 4) interrupt the telephone call at policy holder's command and calls later;
- 5) find out if the policy holder has received the written notification:

a. in case of a positive answer shall remind about sub-points 3-7 of point 3 of the current resolution;

b. in case of a negative answer shall find out the means of communication (electronic and postal addresses and other means) using which the insurance company can send the leaflet to the policy holder and shall orally inform about the information stipulated by sub-points 3-7 of point 3 of the current resolution.

Appendix 1  
of the Appendix approved by  
resolution of the Board of Central Bank of  
the Republic of Armenia number 162-N  
of July 20, 2010

**TEMPLATE NOTICE LEAFLET PROVIDED BY  
INSURANCE COMPANIES TO POLICY HOLDERS**

(Insurance company name,  
postal address(s), telephone number(s), website address,  
electronic address(s) and other communication means)

*Dear Mrs./Mr. (the first name and the family name of the policy holder),*

We remind You that the insurance contract under class of insurance of liability arising out of use (also by means of transportation) of land motor vehicles concluded between You and (the name of the insurance company) expires after December 31, 2010.

The purpose of the present notice is to inform You that:

1) according to the RA Law on Compulsory Insurance of Liability Arising out of Use of Motor Vehicles, **the system of compulsory insurance of liability arising out of use of motor vehicles (MTPL) will be effective from January 1, 2011 according to which as of January 1, 2011 owners of motor vehicles registered on the territory of the Republic of Armenia, lessees of financial leasing contracts, as well as importers who import motor vehicles into RA by means of driving (irrespective of being the owner of the motor vehicle) should have an MTPL contract.**

**2) The contract concluded and effective between You and (the name of the insurance company) does not replace the MTPL contract so it is necessary to conclude an MTPL contract on January 1, 2011.**

**3) You can exercise your right of unilaterally terminating the contract concluded between You and (the name of the insurance company) (define the procedure of exercising the right of terminating the contract).**

**4) You have the right of unilateral early termination of your contract without fines and penalties.** Besides, in case of terminating the contract the insurance premiums for the remaining period of time of the contract should be returned to you. In order to exercise that right You have to contact us (telephone number of the appropriate employee) or visit

us at the following address (address) and receive information on the details of the procedure of terminating the contract.

To receive detailed information about MTPL process and MTPL conditions

You can:

1) **visit** (*here the websites are enumerated that contain information on MTPL process and MTPL conditions, e.g. addresses of insurance company, Bureau, Central Bank, websites for consumers*) **websites**;

2) **visit the place of operation of an insurance company** and receive oral information from the service department;

3) **acquire the printed or electronic version of the booklet on RA Law on Compulsory Insurance of Liability Arising out of Use of Motor Vehicles** at the place of operation of the insurance company or Bureau or websites.