

27/12/2013
No. 319 N

Procedures of calculating the residual amount of annuity contract and transferring to another insurance company

The Central Bank Board resolution No. 169-N, dated July 15, 2014 is incorporated in this regulation

Regulation was amended:

Whereas securing an effective process of action of funded pension annuity schemes by insurance companies and protect interest of policyholders in this field

Based on the Republic of Armenia Law on “Funded Pensions”, Article 53 (4), the Republic of Armenia Law on “Central Bank”, Article 20 (e) and Republic of Armenia Law on “Legal Acts”, Article 16, the Board of the Central Bank of the Republic of Armenia

Enacts:

1. Approve the “Procedures of calculating the residual amount of annuity contract and transferring to another insurance company” pursuant to the Appendix attached hereto.
2. This resolution shall enter into force on the tenth day following its official publication.

Chairman of the Central Bank

Arthur Javadyan

Appendix

By the Central Bank Board resolution No. 319-N,
dated December 27, 2013

Procedure

On calculating the residual amount of annuity contract and transferring to another insurance company

Chapter1. General Provisions

1. The definitions used in this procedure have the following meanings:
 - 1) *Annuity as* in the Republic of Armenia Law on Insurance and insurance activity
 - 2) *Insurance company as* in the Republic of Armenia Law on Insurance and insurance activity
 - 3) *policyholder (participant)' as* in the Republic of Armenia Law on Insurance and insurance activity and the Republic of Armenia Law on Funded pension
 - 4) *Central bank* – Central bank of Republic of Armenia
 - 5) *Law-* the Republic of Armenia Law on Funded pension

Chapter 2: Procedure of transferring annuity contract

1. By the annuity contract the annuitant or his/her spouse or their authorized person has right to transfer whole fund or it's part defined by the annuity contract from one insurance company (hereinafter insurance company) to another insurance company (hereinafter new insurance company) who accept that transfer, if the insurance company fail to pay annuity twice or more in twelve months period, as well as made another violation of the annuity contract twice and more in twelve months period. In this case, policyholder or his/her spouse or their authorized person have right unilaterally terminate the annuity contract by their initiative and demand from insurance company the residual amount of funds and caused losses.
2. For the transfer the policyholder should fill in the application for getting annuity with new insurance company and application for transferring the annuity defined by this Procedure pursuant to the Appendix 1, as well as should present:
 - 1) The copy of the annuity contract signed with insurance company
 - 2) The last statement of annuity account

- 3) The letter of authorization in case of authorized person
3. During 3 working days after getting the application of transfer the new insurance company should present it to the insurance company.
4. During 3 working days after getting the application of transfer insurance company should transfer the specified amount to the new insurance company.

Chapter 2: The procedure of calculating the residual amount

5. If specified in the second paragraph of this Procedure transferring amount from insurance company to the new insurance company is calculated as an amount of payed premiums specified in the annuity contract (or lump-sum transfered to the insurance company) included twice and more unpaid annuity in twelve months period and interest specified in the contract reduced payed annuities by the time of transfer and actual incurred costs related to the insurance contract. Moreover, the transfer of insurance premium defined by this paragraph is not considered as lump-sum receipt by the annuitant.
6. Fines related to the transfer, including early termination of the contract in case of transferring can not be applied.

Application for transferring the residual amount of annuity

Number of transferring annuity contract _____

Name of the insurance company _____

Current operation address of the insurance
company _____

Name of policyholder/annuitant _____

Passport data of policyholder/annuitant _____

Name of spouse in case of marriage annuity _____

Passport data of spouse in case of marriage
annuity _____

Name and Surname of authorized person

Passport data of authorized person _____

Name(s) of heir(s) _____

Passport data of heir _____

Addressee _____ :
[Name of the insurance company]

I allow to transfer _____ Armenian dram form my annuity account.
_____ :
[Name of the new insurance company]

Please make reductions:
___ immediately
___ starting (date) _____

Transfer all reduced funds to my annuity account opened in

[name of the new insurance company]

Signature of the annuitant

Date