

Pursuant to Article 65 paragraph 5 of the Law on Insurance (Official Gazette of the Republic of Montenegro, No 78/06 and 19/07; Official Gazette of Montenegro, No 45/12), at the session held on 26 December 2012, the Council of the Insurance Supervision Agency adopted the

RULEBOOK ON DETAILED REQUIREMENTS FOR PURSUIT OF INSURANCE AGENCY ACTIVITIES IN BANKS

(Official Gazette of Montenegro, No 01/13 of 3 January 2013)

Article 1

This Rulebook governs detailed requirements for pursuit of insurance agency activities in banks.

Article 2

Banks may engage in insurance agency activities provided that they have a license issued by the Central Bank of Montenegro (hereinafter referred to as CBCG) and consent of the Insurance Supervision Agency (hereinafter referred to as the Agency).

Only persons employed with the bank having an authorisation of the Agency to carry out insurance agency activities may perform insurance agency activities in banks.

Article 3

A bank submitting a request to the Agency for obtaining consent for pursuit of insurance agency activities, shall also submit along with the request the following:

- 1) Authenticated copy of the license issued by CBCG;
- 2) Pro forma contract on insurance agency, entered into between the bank and an insurance company, which must contain a clause on right of insurance company to a permanent supervision over the execution of such contract, price of services (commission) for services rendered, and list of insurance products by insurance classes;
- 3) Written consent of the insurance company, if the bank intends to pursue insurance agency activities with several insurance companies, for products in competition one to another;
- 4) Business plan of the bank, pertaining to pursuit of insurance agency activities, in accordance with Article 31 of the Law on Insurance (Official Gazette of the Republic of Montenegro, No 78/06 and 19/07; Official Gazette of Montenegro, No 45/12, hereinafter referred to as the Law);
- 5) Business policy acts of the bank governing:
 - the manner of pursuit of insurance agency activities, with provisions governing at least: the manner of keeping and contents of records on insurance policies, handling forms subject to strict record-keeping (by insurance classes), scope and the manner of provision of information to policyholders or insured persons in

- accordance with laws, scope and manner of gathering, safekeeping and submitting data pertaining to implementation of obligations set forth by the law governing the prevention of money laundering and terrorism financing for life insurance;
- obligation of the bank to pay, the monetary funds and other payment instruments and instruments of securing the payment on behalf and for account of the insurance company, in favour of such company within a deadline set forth under the agency agreement, or to surrender other payment instruments and instruments of securing the payment and other supporting documents within the same deadline and to safekeep them in a secure place until payment or surrender to the insurance company ;
 - the manner of safekeeping documents and information pertaining to policyholders or insured persons;
- 6) authenticated statement of a responsible person in the bank on how the bank is related with the insurance company, insurance agency companies or insurance brokerage companies based on capital or otherwise;
 - 7) evidence on human resources and technical capacity of the bank to pursue insurance agency activities, including extract from the bank's act on systematisation, as well as evidence that the bank has envisaged job positions for pursuit of insurance agency, which envisages as a requirement to hold an authorisation issued by the Agency for pursuit of insurance agency activities;
 - 8) evidence on payment of a fee for deciding upon request of the bank for issuing a consent for pursuit of insurance agency activities, in accordance with the decision governing the amount of fees charged by the Insurance Supervision Agency.

Article 4

A place for pursuit of insurance agency activities must be clearly marked in the business premises of the bank, which will have adequate computer equipment and software support for pursuit of insurance agency activities, as well as exhibited a visible sign with name of the insurance company for which the bank is performing agency activities.

If the bank is an agent for several insurance companies for competitive products, persons engaged in insurance agency activities in the bank must not influence the policyholder or insured persons in any way in respect of selection of the insurance company.

An alphabetised printed list of all insurance companies with which the bank has entered into an agency agreement must be exhibited in the space where the insurance agency activities are carried out, including also classes of insurance the bank offers for individual companies.

Article 5

The bank engaged in insurance agency activities may distribute a promotional material only for insurance companies with which has entered into a contract for pursuit of insurance agency activities.

The bank cannot generate additional revenue, in addition to revenues from commission, for pursuit of activities referred to in paragraph 1 of this Article.

Article 6

This Rulebook shall enter into force on the eighth day following the day of its publication in the Official Gazette of Montenegro.

Number: 01-1358/6-12
Podgorica, 26 December 2012

President of the Council
Branko Vujović, m.p.