

Pursuant to Article 127, Article 147, and Article 177 item 4 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 THE CONTENT OF REPORTS, NOTIFICATIONS AND OTHER DATA SUBMITTED TO THE INSURANCE SUPERVISION AGENCY AND THE MANNER AND DEADLINES FOR SUBMISSION THEREOF

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

Article 1

This Rulebook governs in more details the content of reports, notifications and other data that an insurance company, a reinsurance company, a branch of a foreign insurance company, an insurance brokerage company, an insurance agency company, an entrepreneur - insurance agent, an ancillary insurance services provider and a bank engaged in insurance agency activities submits to the Insurance Supervision Agency (hereinafter referred to as the Agency), as well as the manner and deadlines for submission thereof.

1. Insurance Company

Regular Reporting Article 2

An insurance company (hereinafter referred to as the company) shall be obliged to submit regularly to the Agency:

- 1) Amendments, additions and changes to the Articles of Association;
- 2) Amendments, additions and changes to the general documents and business policy documents, with an opinion of an authorised actuary;
- 3) Evidences of the changes in data registered with the Central Registry of Business Entities (CRPS) and the Central Depository Agency (CDA);
- 4) Notifications on replacement of the authorised actuary;
- 5) Notification on replacement of the external auditor;
- 6) Notification on convening shareholders' general meeting and decisions from the general meeting;
- 7) Acts governing internal procedures established in order to prevent money laundering and terrorism financing and amendments thereof;
- 8) Notification on concluded agency contracts with banks and data on insurance classes to be offered to clients of such banks.

The data referred to in paragraph 1 of this Article shall be submitted not later than 15 days after the adoption of amendments or adoption of a decision or act.

The company shall also be obliged to submit to the Agency the statistical data by groups and classes of insurance, and so as follows:

- Number on insurances by insurance classes;
- Amounts of gross insurance premiums by insurance classes;
- Number and amounts of claims by insurance classes.

The data referred to in paragraph 3 of this Article shall be submitted monthly and quarterly by no later than 20th in the month upon the expiry of the period for which the report is provided.

The company shall be obliged to submit the monthly data referred to in paragraph 3 of this Article in Form I and Form II.

The company shall be obliged to submit the quarterly data referred to in paragraph 3 of this Article in the following forms: Form III, Form IV, and Form V.

The forms referred to in paragraphs 5 and 6 of this Article shall constitute an integral part of this Rulebook.

Annual Reporting Article 3

The company shall submit the following on annual basis:

1. annual financial report and annual report on operations as of 31 December of the business year, with the opinion of the authorised actuary and report of the external auditor;
2. report on implementation of co-insurance and reinsurance policies as of 31 December of the business year, with the opinion of the authorised actuary.

The company shall be obliged to submit the reports referred to in paragraph 1 of this Article within 15 days after their adoption and no later than 1 May of the current year for the previous year.

The annual report on operations of the insurance company referred to in paragraph 1 item 1 of this Article must contain, *inter alia*:

- basic data on the insurance company;
- report on relations with the parent company and companies wherein its parent company has a status of a parent company or subsidiary company, as well as legal transactions and transactions the company had with them in accordance with the Law on Business Organisations;
- list of conditions and tariffs the company used to engage in insurance business in the previous year, including the adoption date;
- data on capital adequacy, as well as structure of depositing and investing capital in types of assets stipulated by the Law on Insurance (hereinafter referred to as the Law) and the rulebook governing the types of assets and restrictions related to depositing and investing technical provisions funds and capital;

- the solvency margin level, established in accordance with the rulebook governing the manner of determining the solvency margin;
- data on the gross insurance premium level, by insurance classes, established in accordance with the rulebook governing the classification of risks by insurance classes;
- data on claims, and so as follows: number and amount of processed claims by insurance classes set forth in accordance with the rulebook governing the classification of risks by insurance classes, number and amount of reported claims in the accounting period, number and amount of outstanding claims as of 31 December of the previous year and as of 31 December of the current year;
- breakdown of the technical provisions and breakdown of depositing and investing the technical provisions in types of assets set forth by the Law and the rulebook governing the types of assets and restrictions related to depositing and investing technical provisions funds and capital;
- data on the company liquidity in the accounting period;
- data on insurance-related administrative costs at the end of the accounting period;
- data on concluded life insurance contracts, and so as follows: number of policies in force at the beginning of the accounting period, number of newly-concluded policies, number of cancelled policies, number of purchased policies, number of reduced policies, number of policies in force at the end of the accounting period by classes of life insurance as set forth by the rulebook governing the classification of risk by insurance classes; as well as number of individual policies and number of group insurance policies; an overview of number policies with annual premium payment and number of policies with single premium payment, number of policies with bonus, number of policies without bonus, and number of policies where the investment risk is borne by the insured person;
- an overview of number of insured persons; and
- other data (human resources structure of employees, other activities of the company).

Quarterly Reporting Article 4

The insurance company shall submit to the Agency on quarterly basis:

1. Data on the balance and changes in the accounts of capital, reserves, assets, liabilities and receivables, and so as follows
 - 1.1. Data on capital adequacy at the end of the accounting period, and so as follows:
 - Core capital (paid-up share capital of the insurance company, except for the share capital paid for cumulative preferred shares; capital reserves not related to the insurance-based liabilities; profit reserves; retained profit from previous years; redeemed own shares; intangible assets; losses brought forward and current year losses; difference of undiscounted and discounted technical provisions for outstanding claims);
 - Additional capital (share capital paid for cumulative preferred shares; subordinated debt instruments; capital reserves related to cumulative preferred shares, and other categories referred to in Article 92b paragraph 2 items 1 and 2 of the Law);

- Deductible items in calculation of capital (holdings in other insurance companies, reinsurance companies, banks, broker and dealer companies, management companies, and other financial institutions in accordance with Article 92c paragraph 1 item 1; investments in subordinated debt instruments and other investments in other insurance companies, reinsurance companies, banks, broker and dealer companies, management companies, and other financial institutions; shares not listed in organised markets and other assets that cannot be used to settle due monetary liabilities);
 - Structure of depositing and investing of the capital, as set forth by the rulebook governing the types of assets and restrictions related to depositing and investing technical provisions funds and capital;
 - Guarantee fund calculation;
 - Solvency margin level.
- 1.2. Data on capital structure at the end of the accounting period, with changes in respect of:
- share capital (share capital – of domestic legal and natural persons, capital of foreign legal and natural persons, number and par value of shares);
 - changes of shareholders (for legal persons – name, registered office, unique identification number and tax identification number (TIN), and for natural persons – name, address, unique citizen's identification number (JMBG)) and number of shares owned;
 - qualifying holders and related parties, as defined in Articles 23 and 24 of the Law.
- 1.3. Data on receivables by maturity at the end of the accounting period, and so as follows:
- receivables from direct insurance operations;
 - receivables for reinsurance and coinsurance premiums;
 - receivables for shares in claims indemnity;
 - long-term business operations receivables; and
 - other receivables.
- 1.4. Data on liabilities by maturity at the end of the accounting period, and so as follows:
- liabilities from direct insurance operations;
 - liabilities for reinsurance and coinsurance premiums;
 - liabilities for shares in claims indemnity;
 - long-term financing and business operations liabilities;
 - other liabilities.
- 1.5. Data on technical provisions at the end of the accounting period, and so as follows:
- breakdown of technical provisions, both gross and net amounts (without reinsurer's share) and on investing and depositing the net technical provisions funds.
- 1.6. Other data, such as:
- management costs, insurance acquisition costs, costs of processing and payment of claims, and costs of depositing and investing insurance funds in the accounting period;
 - overview of life insurance policies at the end of the accounting period,

- number of employees and their qualification structure at the end of the accounting period, and other.
2. Data on co-insurance and reinsurance of excess risks above the maximum self-insured retention with the opinion of the authorised actuary:
 - the amount of co-insured and amount of reinsured excess risks above the maximum self-insured retention, by insurance classes;
 - all outwards reinsurance contracts, including the overview of the following elements for each contract separately: name of the reinsurer, type of the reinsurance contract (quota and surplus reinsurance, excess of loss and technical results reinsurance, and other), the manner of contract activation (treaty or facultative), insurance classes or tariffs to which the contract relates, the level of coverage (basic and additional risks), limits (self-insured retention of the company and limit of reinsurer's contract), and lines of coverage (by risk, loss event, technical result, and other).
 3. Opinion of the authorised actuary on technical provisions (mathematical provisions, unearned premiums, outstanding claims, reserves for bonuses and rebates, risk equalization reserves, special provisions established by the company pursuing insurance activities where the investment risk is borne by the insured person, other technical provisions) and on depositing and investing of the technical reserve funds, in accordance with the rulebook governing the content of the actuary opinion.
 4. Opinion of the authorised actuary on the number of reported claims and on number and amount of processed claims in regular procedure and the court procedure, and other data on claims in accordance with the rulebook governing the content of the actuary opinion;
 5. The solvency margin level determined in accordance with the rulebook governing the manner of determining the solvency margin level, with the opinion of the authorised actuary;
 6. Opinion of the authorised actuary on the liquidity in the accounting period;
 7. Opinion of the authorised actuary on the capital adequacy in accordance with Articles 98 and 98a of the Law;
 8. Opinion of the authorised actuary on total earned insurance premium and earned insurance premium in self-insured retention by insurance classes;
 9. Report on findings of an internal audit, with a decision of the board of directors on adoption for the reporting period;
 10. Financial statements in the accounting period covering:
 - Balance sheet,
 - Income statement,
 - Cash flow statement,
 - Statement of changes in capital,compiled in accordance with applicable financial statement forms published by the competent authority in the Official Gazette of Montenegro.
 11. Data on policies, for the purpose of monitoring activities of prevention of money laundering and terrorism financing, for live insurances, and so as follows:
 - Number of newly-concluded insurance policies in the accounting period;
 - Number of policies in force with an annual premium of less than EUR 500 at the end of the accounting period;
 - Number of policies in force with an annual premium of more than EUR 500 but less than EUR 1,000 at the end of the accounting period;

- Number of policies in force with an annual premium exceeding EUR 1,000 at the end of the accounting period;
- Number of policies in force with a single premium exceeding EUR 2,500 at the end of the accounting period;
- Number of contracts rejected due to the suspicion of money laundering and terrorism financing;
- Number of transactions reported to the Administration for Prevention of Money Laundering and Terrorism Financing, as well as
- An overview of 10 contracts with the highest insured sum and the highest annual premium at the end of the accounting period, including data on products, insurance commencement date and expiry date.

The reports and data referred to in paragraph 1 items 1, 10, and 11 of this Article shall be submitted to the Agency within the following deadlines:

- for the first accounting period (1 January to 31 March) by 20 April of the current year;
- for the second accounting period (1 January to 30 June) by 20 July of the current year;
- for the third accounting period (1 January to 30 September) by 20 October of the current year;
- for the fourth accounting period (1 January to 31 December) by 25 January of the subsequent year.

The reports and data referred to in paragraph 1 items 2, 3, 4, 5, 6, 7, and 8 of this Article shall be submitted to the Agency within the following deadlines:

- for the first accounting period (1 January to 31 March) by 5 May of the current year;
- for the second accounting period (1 January to 30 June) by 5 August of the current year;
- for the third accounting period (1 January to 30 September) by 5 November of the current year;
- for the fourth accounting period (1 January to 31 December) by 1 March of the subsequent year.

The reports referred to in paragraph 1 item 9 of this Article shall be submitted to the Agency within the following deadlines:

- for the first quarter (1 January to 31 March) by 5 May of the current year;
- for the second quarter (1 April to 30 June) by 5 August of the current year;
- for the third quarter (1 July to 30 September) by 5 November of the current year;
- for the fourth quarter (1 October to 31 December) by 1 March of the subsequent year.

Monthly Reporting Article 5

The company shall be obliged to submit to the Agency the reports and data on compulsory transport insurance of owners of motor vehicles for third party liability

against damages in traffic (automobile liability insurance) on monthly basis, and so as follows:

- 1) number of concluded insurances from 1 January of the current year until the last day of the current month;
- 2) insurance premium from 1 January of the current year until the last day of the current month;
- 3) number of reported claims from 1 January of the current year until the last day of the current month;
- 4) number of processed claims from 1 January of the current year until the last day of the current month;
- 5) number of settled claims from 1 January of the current year until the last day of the current month;
- 6) number of paid claims out of the settled claims from 1 January of the current year until the last day of the current month;
- 7) Number of reported and not processed claims on the last day of the current month;
- 8) Number of repudiated claims from 1 January of the current year until the last day of the current month.

The company shall be obliged to submit to the Agency on monthly basis data on number of issued Green cards and revenues generated on such grounds from 1 January of the current year until the last day of the current month.

The company shall be obliged to submit to the Agency on monthly basis data on:

- Number of total claims to be processed in the period (number of outstanding claims as of 31 December of the previous year and number of reported claims to be processed from 1 January until the last day of the current month);
- Number of processed claims from 1 January until the last day of the current month.

The data referred to in paragraphs 1, 2, and 3 of this Article shall be submitted within 20 days after the expiry of the reporting period.

Application Article 6

Provisions of this Rulebook pertaining to insurance companies shall apply accordingly on the content of reports, notifications, and other data that a branch of a foreign an insurance company and a reinsurance company submits to the Agency, as well as the manner and deadlines for submission thereof.

12. Insurance Brokerage Company, Insurance Agency Company, Ancillary Insurance Services Provider, Entrepreneur - Insurance Agent, and Bank Engaged in Insurance Agency Activities

Regular Reporting Article 7

An insurance brokerage company, an insurance agency company, an entrepreneur - insurance agent, and an ancillary insurance services provider shall be obliged to submit regularly to the Agency:

- 1) Amendments, additions and changes to the Articles of Association;
- 2) Decisions on change of the registered office, address for receipt of business mail, changes in management bodies;
- 3) Notification on changes in the capital structure;
- 4) Evidences of the changes in data registered with the Central Registry of Business Entities (CRPS);
- 5) Notification with data on concluded contracts with insurance companies (including associated annexes to contract);
- 6) List of persons engaged in insurance brokerage or insurance agency activities (name and family name, number of the authorisation issued by the regulatory authority);
- 7) Procedures governing the pursuit of insurance brokerage or insurance agency activities.

The data referred to in paragraph 1 of this Article shall be submitted within 8 days as of the day a change occurred or an act is adopted.

Notwithstanding paragraph 1 of this Article, an entrepreneur - insurance agent shall not submit data referred to in item 1 of that paragraph.

Annual Reporting

Article 8

An insurance brokerage company, an insurance agency company, and an ancillary insurance services provider shall be obliged to submit annually to the Agency financial reports covering:

- Balance sheet,
- Income statement,
- Statistical annex,

compiled in accordance with applicable regulations, which are submitted by no later than 5 April of the current year for the previous year.

Article 9

An insurance brokerage company, an insurance agency company, an entrepreneur - insurance agent, and a bank engaged in insurance agency activities shall be obliged to submit to the Agency a report covering the following data:

- 1) Number of issued insurance policies, or concluded insurance contracts by insurance classes and by insurance company in the reporting period;
- 2) Gross written premium by insurance classes and by insurance company in the reporting period;
- 3) Written premium by insurance classes and by insurance company in the reporting period.

In addition to data referred to in paragraph 1 of this Article, the insurance brokerage company shall also submit data on number of persons who have entered life insurance contracts with two or more insurance companies in the last five year under its brokerage.

The insurance brokerage company, insurance agency company, entrepreneur - insurance agent, and bank engaged in insurance agency activities shall be obliged to submit to the Agency the report referred to in paragraph 1 of this Article on forms VI and VII, making an integral part of this Rulebook, and to do so annually for the previous year by 5 April of the current year.

Article 10

Reports, notifications, and other data referred to in this Rulebook shall be submitted to the Agency in written and electronic formats.

Final and Transitional Provisions

Article 11

Data referred to in Article 2 paragraphs 5 and 6 and Article 4 paragraph 1 item 1 sub-items 1.1 and 1.5 and item 2 of this Rulebook shall be submitted in written and electronic formats until 30 June 2013, without entry in the electronic reporting system of the Agency.

The company shall be obliged to enter data referred to in paragraph 1 of this Article in the electronic reporting system by no later than 15 July 2013.

Article 11

As of the day this Rulebook enters into force, the Rulebook on the Content of Reports, Notifications and Other Data Submitted by the Insurance Company to the Insurance Supervision Agency and the Manner and Deadlines for Submission thereof (Official Gazette of Montenegro, no 70/08 of 19 November 2008, 87/09 of 30 December 2009, 21/11 of 21 April 2011, 48/11 of 30 September 2011) shall cease to have effect.

Article 12

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.

FORM I

Code	Groups/Classes of Insurance	Written Premium		Data on Claims		
		Number of insurances	Amount	Reported	Processed	
				Number	Number	Amount
	1	2	3	4	5	6
I	Non-life Insurances					
01	Accident insurance					
02	Voluntary health insurance					
03	Motor vehicle insurance					
04	Railway rolling stock insurance					
05	Aircraft insurance					
06	Watercraft insurance					
07	Insurance of goods in transit					
08	Property insurance against fire and other perils					
09	Other property insurances					
10	Motor vehicle liability insurance					
11	Aircraft liability insurance					
12	Vessel liability insurance					
13	General liability insurance					
14	Credit insurance					
15	Suretyship insurance					
16	Insurance of financial losses					
17	Legal expenses insurance					
18	Travel insurance					
19	Other classes of non-life insurance					
II	Life Insurances					
20	Life insurance					

21	Annuity insurance					
22	Supplementary insurance to the life insurance					
23	Other classes of life insurance					
	TOTAL					

FORM II

Code	Groups/Classes of Insurance	Written premium	Pure premium	Contribution to loss prevention fund	Loading expenses
1	2	3	4	5	6
I	Non-life Insurances				
01	Accident insurance				
02	Voluntary health insurance				
03	Motor vehicle insurance				
04	Railway rolling stock insurance				
05	Aircraft insurance				
06	Watercraft insurance				
07	Insurance of goods in transit				
08	Property insurance against fire and other perils				
09	Other property insurances				
10	Motor vehicle liability insurance				
11	Aircraft liability insurance				
12	Vessel liability insurance				
13	General liability insurance				
14	Credit insurance				
15	Suretyship insurance				
16	Insurance of financial losses				
17	Legal expenses insurance				
18	Travel insurance				
19	Other classes of non-life insurance				
II	Life Insurances				

20	Life insurance				
21	Annuity insurance				
22	Supplementary insurance to the life insurance				
23	Other classes of life insurance				
	TOTAL				

FORM III

Code	Groups/Classes of Insurance	Number of insurances	Written premium	Unearned premium		Pure premium	Loading expenses
				On 1 Jan current year	At the end of the accounting period		
1	2	3	4	5	6	7	8
I	Non-life Insurances						
01	Accident insurance						
02	Voluntary health insurance						
03	Motor vehicle insurance						
04	Railway rolling stock insurance						
05	Aircraft insurance						
06	Watercraft insurance						
07	Insurance of goods in transit						
08	Property insurance against fire and other perils						
09	Other property insurances						
10	Motor vehicle liability insurance						
11	Aircraft liability insurance						
12	Vessel liability insurance						
13	General liability insurance						
14	Credit insurance						
15	Suretyship insurance						
16	Insurance of financial losses						
17	Legal expenses insurance						
18	Travel insurance						
19	Other classes of non-life insurance						
II	Life Insurances						
20	Life insurance						
21	Annuity insurance						

22	Supplementary insurance to the life insurance						
23	Other classes of life insurance						
	TOTAL						

FORM IV

Code	Groups/Classes of Insurance	Outstanding claims on 31 Dec of the previous year	Reported claims in the accounting period	Total number of claims to be processed in the accounting period	Processed claims in the accounting period						Outstanding claims at the end of the accounting period					
					Claims from the previous year		Claims from the current year		Total		Claims from the previous year		Claims from the current year		Total	
					number	amount	number	amount	number	amount	number	amount	number	amount	number	amount
1	2	3	4	5	6	7	8	9	10=6+8	11=7+9	12	13	14	15	16=12+14	17=13+15
I	Non-life Insurances															
01	Accident insurance															
02	Voluntary health insurance															
03	Motor vehicle insurance															
04	Railway rolling stock insurance															
05	Aircraft insurance															
06	Watercraft insurance															
07	Insurance of goods in transit															
08	Property insurance against fire and other perils															
09	Other property insurances															
10	Motor vehicle liability insurance															
11	Aircraft liability insurance															
12	Vessel liability insurance															
13	General liability insurance															
14	Credit insurance															

15	Suretyship insurance															
16	Insurance of financial losses															
17	Legal expenses insurance															
18	Travel insurance															
19	Other classes of non-life insurance															
II	Life Insurances															
20	Life insurance															
21	Annuity insurance															
22	Supplementary insurance to the life insurance															
23	Other classes of life insurance															
	TOTAL															

FORM V

Code	Groups/Classes of Insurance	Processed Claims at the End of the Accounting Period														
		Paid claims						Settled Claims						Repudiated claims		
		Claims from the previous year		Claims from the current year		Total		Claims from the previous year		Claims from the current year		Total		Claims from the previous year	Claims from the current year	total
		number	amount	number	amount	number	amount	number	amount	number	amount	number	amount	number	number	number
1	2	3	4	5	6	7=3+5	8=4+6	9	10	11	12	13=9+1	14=10+1	15	16	17=15+1
I	Non-life Insurances															
01	Accident insurance															
02	Voluntary health insurance															
03	Motor vehicle insurance															
04	Railway rolling stock insurance															
05	Aircraft insurance															
06	Watercraft insurance															
07	Insurance of goods in transit															
08	Property insurance against fire and other perils															
09	Other property insurances															
10	Motor vehicle liability insurance															
11	Aircraft liability insurance															
12	Vessel liability insurance															
13	General liability insurance															
14	Credit insurance															
15	Suretyship insurance															
16	Insurance of financial losses															
17	Legal expenses insurance															
18	Travel insurance															
19	Other classes of non-life insurance															
II	Life Insurances															

20	Life insurance															
21	Annuity insurance															
22	Supplementary insurance to the life insurance															
23	Other classes of life insurance															
	TOTAL															

FORM VI: Insurance Agency Company, Entrepreneur - Insurance Agent, and Bank Engaged in Insurance Agency Activities

from _____ to _____

Name of the Insurance company	Insurance class	Number of sold insurance policies	Gross written premium	Invoiced commission

Person responsible for compiling the Report: _____

Executive Director: _____

Place and date: _____

FORM VII: Insurance Brokerage Company

from _____ to _____

Name of the Insurance company	Insurance class	Number of insurance contracts*	Gross written premium	Generated commission

* number of insurance contracts concluded under brokerage of the insurance brokerage company

Person responsible for compiling the Report: _____

Executive Director: _____

Place and date: _____