

Pursuant to Article 175 of the Law on Insurance (Official Gazette of the Republic of Montenegro 78/06) (hereinafter referred to as the Law), the Council of the Insurance Supervision Agency, at its session held on 21 December 2007, adopted the

DECISION ON THE FEES OF THE INSURANCE SUPERVISION AGENCY

(Official Gazette of Montenegro, 04/08 of 17 January 2008, 42/12 of 31 July 2012, 17/13 of 5 April 2013, 49/13 of 22 October 2013)

Article 1

Funds for the operations of the Insurance Supervision Agency of Montenegro (hereinafter referred to as the Agency) shall be provided from the fees specified in Article 175 of the Law.

Article 2

This Decision establishes the fees referred to in Article 175 of the Law which are paid for founding of a company to perform the insurance activities, insurance agency activities, insurance brokerage activities and provide insurance ancillary services – licenses; fees for obtaining permits and approvals; fees for taking professional exams and acquisition of titles; fees for supervision conducting; and other fees for activities the Agency performs in accordance with laws and other regulations, as well as the amount, the manner of calculation and payment of fees.

Article 3

LICENSING FEES:

The Agency shall charge fees for:

- 3.1. Deciding in respect of applications for issuance of licenses for performance of insurance activities and reinsurance activities (Articles 30, 32 and 42 of the Law), which shall amount to €5,000;
- 3.2. Deciding in respect of applications for amending the license for performance of insurance activities (Article 35 of the Law), which shall amount to €2,500;
- 3.3. Deciding in respect of applications for issuance of licenses for insurance brokerage activities, insurance agency activities, provision of insurance ancillary services and a separately organized unit of a business organisation for provision of insurance ancillary services (Articles 52, 69, 79 and 80 of the Law), which shall amount to €500;
- 3.4. Deciding in respect of applications for issuance of licenses to insurance agents (Article 72 of the Law), which shall amount to €200.

Article 4

FEES FOR ISSUANCE OF APPROVALS AND PERMITS:

The Agency shall charge fees for:

- 4.1. Deciding in respect of applications for issuance of the approval for amending the name and registered office of an insurance company (Article 18 of the Law), which shall amount to €200;

- 4.2. Deciding in respect of applications for issuance of the approval for acquisition of and increase in qualified share in the insurance company (Article 23 of the Law), which shall amount to €1,000;
- 4.3. Deciding in respect of applications for issuance of the approval of the statute of the insurance company (Article 39 of the Law), which shall amount to €200;
- 4.4. Deciding in respect of applications for issuance of the approval of the founding organizational parts of the insurance company (Article 40 of the Law), which shall amount to €200;
- 4.5. Deciding in respect of applications for issuance of the approval for status changes (divisions, mergers or acquisitions) - Article 41 of the Law, which shall amount to €1,000;
- 4.6. Deciding in respect of applications for issuance of the approval of the appointment of members of the board of directors or executive director (Articles 49 and 50 of the Law), which shall amount to €200;
- 4.7. Deciding in respect of applications for issuance of the approval of the transfer of insurance portfolio (Article 148 of the Law), which shall amount to €500;
- 4.8. Deciding in respect of applications for granting the approval to the insurance company to appoint an external auditor of the insurance company (Article 168 of the Law), which shall amount to €200;
- 4.9. Deciding in respect of applications for granting the approval to the insurance company to appoint an authorized actuary of the insurance company (Article 153 of the Law), which shall amount to €200;
- 4.10. Deciding upon request of banks for obtaining consent for pursuit of insurance agency activities (Article 65 of the Law) shall amount to €300.

Article 5

FEES FOR TAKING PROFESSIONAL EXAMS AND ACQUIRING TITLES

The Agency shall charge the fees for:

- 5.1. Taking the professional exam for acquiring the titles of authorized insurance broker and authorized insurance agent and issuing the authorizations for performing insurance brokerage and agency activities (Articles 60 and 71 of the Law), which shall amount to €200;
- 5.2. Taking the professional exam for acquiring the title of authorized actuary (Article 153 of the Law), which shall amount to €400;
- 5.3. Deciding in respect of applications for obtaining the authorization for performing actuary activities (Article 153 of the Law), which shall amount to €100;
- 5.4. Deciding in respect of applications for recognizing the title of an authorized insurance broker or an authorized insurance agent (Article 206 of the Law), which shall amount to €100;
- 5.5. Deciding in respect of applications for recognizing the title of an authorized actuary (Article 205 of the Law), which shall amount to €100;
- 5.6. Deciding in respect of applications for recognizing foreign certificates on the title of an authorized insurance broker and authorized insurance agent (Articles 60 and 71 of the Law), which shall amount to €100;

Article 6

FEES FOR CONDUCT OF SUPERVISION

The annual fee to be paid by an insurance company for conduct of supervision of its operations shall amount to 0.99% of the annual gross premium of the company (Article 175 of the Law).

The annual fee for conduct of supervision of the operations of insurance companies shall be paid to the Agency in equal monthly instalments due on each fifth day of the month for the current month. If the insurance company fails to pay this fee within the stated deadline, the Agency shall issue an order to the insurance company to pay such fee with the statutory penalty interest.

The insurance company shall be obliged to inform the Agency every year, not later than 31 March, on the amount of gross premium for the previous calendar year which serves as the base for determining the annual fee for supervision conduct in the current year.

Until the base referred to in paragraph 3 of this Article is established, the fee in the current year shall be paid based on the amount of the fee determined for the previous calendar year, whereas each potential supplementary payment or overpayment shall be taken into consideration when paying the first instalment that is determined based on the final data on the amount of the base referred to in paragraph 3 of this Article.

The liability of the new insurance company regarding this fee shall arise in the first following month after the beginning of the new insurance company's operations and shall be determined based on the revenues forecasted in the business plan of such company for the first financial year.

Article 7 OTHER FEES

The fee for issuance of other documents of the Agency (opinions, extracts from the register, transcripts, duplicates of decisions, and other) shall amount to €50 and shall be paid upon the submission of the application.

The insurance company to which a supervisory measure has been imposed shall pay a special fee that is specified by a decision on imposing the supervisory measure, whereby the fee amount cannot exceed 0.5% of the amount of capital of the insurance company to which the supervisory measure is being imposed and the fee amount cannot be lower than:

- 1) For non-life insurances
 - a. 0.05% of the amount of the capital of the insurance company to which the supervisory measure is being imposed, for measures stipulated under Article 129, paragraph 1, items 1 and 2 of the Law;
 - b. 0.2% of the amount of the capital of the insurance company to which the supervisory measure is being imposed, for measures stipulated under Article 129, paragraph 1, items 3, 4 and 5 of the Law;
- 2) For life insurances
 - a. 0.07% of the amount of the capital of the insurance company to which the supervisory measure is being imposed, for measures stipulated under Article 129, paragraph 1, items 1 and 2 of the Law;
 - b. 0.25% of the amount of the capital of the insurance company to which the supervisory measure is being imposed, for measures stipulated under Article 129, paragraph 1, items 3, 4 and 5 of the Law;

Calculation of the fee shall be done with respect to the amount of the capital of the insurance company being imposed with the supervisory measure, as stated in the opinion of an authorised actuary issued for a business year preceding the year for which the supervisory measure is being imposed.

Article 8

All the fees referred to in this Decision, except the fees referred to in Articles 6 and 7 paragraph 2 of the Decision, shall be paid concurrently with the submission of the application to the Agency and shall represent a condition for consideration of the application.

Article 9

All payments of the fees referred to in this Decision shall be made to the account of the Agency.

TRANSITIONAL PROVISION

Article 10

The monthly fee for conduct of supervision until 1 March 2008 shall be calculated by applying the percentage referred to in Article 6 paragraph 1 of this Decision to the last official data on the amount of gross premium of the insurance company or in accordance with Article 6 paragraph 5 of the Decision for newly founded companies, and shall amount to one-twelfth of the calculated annual gross premium.

The first fee for the current month shall be paid to the Agency within 5 days after the beginning of the Agency's operations.

FINAL PROVISION

Article 11

This Decision shall enter into force on the eighth day after its publication in the Official Gazette of the Republic of Montenegro, subject to the prior approval of the Government of Montenegro.

Number: SS-07/07

Podgorica, 21 December 2007

Council of the Insurance Supervision Agency

President of the Council

Vladimir Kavarić MSc, m.p.

NOTE:

The consolidate text of the Decision does not include the following provisions of the Decision on Amendments and Supplements to the Decision on the Fees of the Insurance Supervision Agency (*Official Gazette of Montenegro, No 17/13 of 5 April 2013*):

“Article 4

This Decision shall enter into force on the day of its adoption, and shall apply upon obtaining consent of the Government of Montenegro.

Podgorica, 12 February 2013

Number: 01-123/10-13

President of the Council

Branko Vujović, m.p.”

The consolidate text of the Decision does not include the following provisions of the Decision Amending and Supplementing the Decision on the Fees of the Insurance Supervision Agency (*Official Gazette of Montenegro, No 49/13 of 22 October 2013*):

“Article 2

This Decision shall enter into force on the day of its adoption.

Number: 01-756/7-13

Podgorica, 25 July 2013

President of the Council

Branko Vujović, m.p.”