

THE RUSSIAN FEDERATION**LAW****ON THE ORGANISATION OF THE INSURANCE
BUSINESS IN THE RUSSIAN FEDERATION**

*(as amended by Federal Laws No. 157-FZ, dated 31 December 1997; No. 204-FZ, dated 20 November 1999;
No. 31-FZ, dated 21 March 2002; No. 41-FZ, dated 25 April 2002; No. 169-FZ, dated 8 December 2003;
No. 172-FZ, dated 10 December 2003; No. 67-FZ, dated 20 July 2004; No. 12-FZ, dated 7 March 2005;
No. 90-FZ, dated 18 July 2005; No. 104-FZ, dated 21 July 2005; No. 83-FZ, dated 17 May 2007;
No. 256-FZ, dated 8 November 2007; No. 287-FZ, dated 29 November 2007; No. 243-FZ, dated 30 October 2009;
No. 65-FZ, dated 22 April 2010; No. 226-FZ, dated 27 July 2010; No. 313-FZ, dated 29 November 2010;
No. 236-FZ, dated 18 July 2011; No. 362-FZ, dated 30 November 2011; No. 267-FZ, dated 25 December 2012;
No. 134-FZ, dated 28 June 2013; No. 234-FZ, dated 23 July 2013 (as amended 28 December 2013);
No. 149-FZ, dated 4 June 2014; No. 223-FZ, dated 21 July 2014; No. 344-FZ, dated 4 November 2014;
No. 39-FZ, dated 8 March 2015; No. 155-FZ, dated 29 June 2015; No. 210-FZ, dated 29 June 2015;
No. 231-FZ, dated 13 July 2015 (since 9 February 2016); No. 259-FZ, dated 13 July 2015;
No. 349-FZ, dated 28 November 2015; No. 432-FZ, dated 30 December 2015; No. 146-FZ, dated 23 May 2016;
No. 194-FZ, dated 23 June 2016; No. 222-FZ, dated 23 June 2016; No. 292-FZ, dated 3 July 2016;
No. 361-FZ, dated 3 July 2016; No. 363-FZ, dated 3 July 2016; No. 205-FZ, dated 26 July 2017;
No. 281-FZ, dated 29 July 2017; No. 482-FZ, dated 31 December 2017; No. 87-FZ, dated 23 April 2018;
No. 251-FZ, dated 29 July 2018; No. 320-FZ, dated 3 August 2018; No. 322-FZ, dated 3 August 2018;
No. 452-FZ, dated 28 November 2018)*

Chapter I. GENERAL PROVISIONS**Article 1. Relations Governed by this Law**

(as amended by Federal Law No. 172-FZ, dated 10 December 2003)

1. This Law shall govern the relations between entities carrying out insurance activities or with their participation, relations to supervise the activity of insurance entities, and other relations connected with the organisation of the insurance business.

(Clause 1 as amended by Federal Law No. 234-FZ, dated 23 July 2013)

2. The relations referred to in Clause 1 hereof shall also be governed by federal laws and regulations of the Central Bank of the Russian Federation (hereinafter, the Bank of Russia) and, in cases stipulated by federal laws, by regulations of the Russian Federation adopted in pursuance thereof (hereinafter, the regulations).

(Clause 2 as amended by Federal Law No. 234-FZ, dated 23 July 2013)

3. For the purposes of this Law, the federal laws, other regulations, and Bank of Russia regulations stipulated in Clauses 1 and 2 hereof shall be an integral part of the insurance legislation.

(Clause 3 as amended by Federal Law No. 234-FZ, dated 23 July 2013)

4. This Law shall govern relations connected with compulsory insurance in terms of establishing a legal framework for these relations.

5. This Law shall not govern the relations connected with compulsory insurance of deposits in banks or the relations connected with insurance of export credits and investments against entrepreneurial and (or) political risks carried out in accordance with Federal Law No. 164-FZ, dated 8 December 2003, 'On the Main Principles of State Regulation of Foreign Trade Activities'.

(Clause 5 as amended by Federal Laws No. 236-FZ, dated 18 July 2011; No. 322-FZ, dated 3 August 2018; and No. 452-FZ, dated 28 November 2018)

6. This Law shall cover insurance companies providing compulsory medical insurance, subject to the considerations established by the Federal Law 'On Compulsory Medical Insurance in the Russian Federation'.

(Clause 6 introduced by Federal Law No. 313-FZ, dated 29 November 2010)

Article 2. Insurance and Insurance Activity (Insurance Business)

(as amended by Federal Law No. 172-FZ, dated 10 December 2003)

1. Insurance shall mean relations to protect individuals and legal entities, the Russian Federation, constituent territories of the Russian Federation, and municipalities upon the occurrence of certain insured events at the expense of

funds formed by insurers from paid insurance premiums as well as at the expense of other funds of insurers.

2. Insurance activity (insurance business) shall mean the activity of insurers, including insurance, reinsurance, and mutual insurance, and of insurance brokers providing services related to insurance and reinsurance.

(Clause 2 as amended by Federal Law No. 234-FZ, dated 23 July 2013)

Article 3. The Goal and Objectives of the Organisation of the Insurance Business. Forms of Insurance

(as amended by Federal Law No. 172-FZ, dated 10 December 2003)

1. The goal of the organisation of the insurance business shall be to protect the property interests of individuals and legal entities, the Russian Federation, constituent territories of the Russian Federation, and municipalities upon the occurrence of insured events.

The objectives of the organisation of the insurance business shall be:

to implement a single state policy in the field of insurance;

to establish the principles of insurance and build mechanisms of insurance that guarantee the economic security of citizens and economic agents in the Russian Federation.

2. Insurance may take the form of voluntary insurance or compulsory insurance.

3. Voluntary insurance shall be performed on the basis of an insurance contract and insurance rules that define the general conditions and procedure for its implementation. Insurance rules shall be adopted and approved by an insurer or an association of insurers independently in compliance with the Civil Code of the Russian Federation, this Law and federal laws and shall contain provisions on insurance parties; insurance objects; insured events; insurance risks; the procedure for determining the sum insured, the insurance rate, and the insurance premium; the procedure for concluding, executing, and

terminating insurance contracts; the rights and obligations of parties; the determination of the amount of loss or damage; the procedure for determining an insurance indemnity; and the timeframe for paying an insurance indemnity; as well as an exhaustive list of grounds for refusal to pay an insurance indemnity and other provisions. When concluding a voluntary insurance contract, an insurer shall ask a policyholder to state a mobile phone number and (or) e-mail address in order to send information on the performance of obligations under the insurance contract to the policyholder in cases stipulated by this Law.

(as amended by Federal Laws No. 234-FZ, dated 23 July 2013; No. 155-FZ, dated 29 June 2015; and No. 222-FZ, dated 23 June 2016)

The insurance rules (except for insurance rules adopted within the framework of international systems of motor third party liability insurance to which the Russian Federation has acceded) shall also contain an exhaustive list of information and documents required to conclude insurance contracts, assess insurance risks, and determine the amount of loss or damage, and, in addition, the timeframes and procedure for making a decision to pay an insurance indemnity, and, for life insurance contracts, also the procedure for calculating the living benefit and the amount of investment income, if the contract provides for the participation of the policyholder or any other person for whose benefit the life insurance contract is concluded in the investment income of the insurer.

(Paragraph introduced by Federal Law No. 234-FZ, dated 23 July 2013)

The Bank of Russia shall be entitled in its regulations to determine the minimum (standard) requirements for the terms and procedure for implementing certain types of voluntary insurance.

(Paragraph introduced by Federal Law No. 234-FZ, dated 23 July 2013)

At the request of policyholders, insured entities, beneficiaries, and those who intend to conclude an insurance contract, insurers shall explain the provisions contained in the insurance rules and insurance contracts and provide information on the fee paid to an insurance agent or insurance broker under

compulsory insurance, calculations of changes in the sum insured during the period of an insurance contract, calculations of insurance indemnity or living benefit (if such terms are provided for by a life insurance contract), and information on accrual methods and changes in the amount of investment income under life insurance contracts concluded on condition that the policyholder or any other person for whose benefit the life insurance contract is concluded participates in the investment income of the insurer.

(Paragraph introduced by Federal Law No. 234-FZ, dated 23 July 2013)

3¹. To ensure information exchange between participants of the relations regulated by this Law and to counteract fraud in insurance, a unified automated information system shall be created that contains information about insurance contracts according to the insurance types specified in Sub-clauses 6 and 14 of Clause 1 of Article 32⁹ thereof, insured events, and other information on insurance (hereinafter, the unified automated system). The operator of the unified automated system shall be the professional association of insurers established in accordance with Federal Law No. 40-FZ, dated 25 April 2002, 'On Compulsory Motor Third Party Liability Insurance'. The procedure for the establishment and operation of the unified automated system, including access to its information and lists of types of information provided by insurers on a mandatory basis, shall be determined by the Bank of Russia.

(Clause 3¹ introduced by Federal Law No. 223-FZ, dated 21 July 2014)

3². For the purpose of information support of the organisation of insurance of residential houses, apartments, and other types of residential premises defined by the Housing Code of the Russian Federation (hereinafter, residential premises), and also for the purpose of adoption by a public authority of a constituent territory of the Russian Federation of a decision to assist in compensation for damages caused to the residential premises of citizens, a unified automated information system (hereinafter, the unified automated home insurance system) shall be created to contain information about home insurance contracts, insurance indemnity amounts, and other information on home

insurance to be determined by the operator of the unified automated home insurance system and provided by insurers. The operator of the unified automated home insurance system that provides for its creation and operation shall be a self-regulatory organisation in the financial market that unites insurance companies and is included in the Unified Register of Self-regulatory Organisations in the Financial Market.

The operator of the unified automated home insurance system shall organise its information interaction with the information resources of federal executive authorities, public authorities of the constituent territories of the Russian Federation and the Bank of Russia. The list of participants, the content of the information to be transferred, the procedure and timeframes for its transfer, and the procedure for the said interaction shall be established by the Government of the Russian Federation.

(Clause 3² introduced by Federal Law No. 320-FZ, dated 3 August 2018)

4. The terms and procedure for implementing compulsory insurance shall be determined by federal laws on specific types of compulsory insurance. Federal laws on specific types of compulsory insurance shall contain provisions specifying:

- a) the insurance parties;
- b) the objects subject to insurance;
- c) a list of insured events;
- d) the minimum amount of sum insured or the method for determining it;
- e) the amount, structure, or procedure for determining the insurance rate;
- f) the timeframe and procedure for payment of insurance premiums;
- g) the duration of an insurance contract;
- h) the procedure for determining the amount of an insurance indemnity;
- i) supervision over the implementation of insurance;
- j) the consequences of non-performance or improper performance of obligations by insurance parties;
- k) other provisions.

Article 4. Insurance Objects

(as amended by Federal Law No. 234-FZ, dated 23 July 2013 (as amended 28 December 2013))

1. Objects of life insurance may be property interests related to citizens reaching a certain age or to the occurrence of certain events in the lives of citizens or to their death (life insurance).

2. Objects of accident and health insurance may be property interests connected with infliction of harm to health of citizens and with their death as a result of an accident or illness (accident and health insurance).

3. Objects of medical insurance may be property interests related to payment for the organisation and provision of medical and drug assistance (medical services) and other services as a result of the illness or condition of an individual requiring the organisation and provision of such services as well as preventive measures that reduce and (or) eliminate threats to the life or health of an individual (medical insurance).

4. Objects of property insurance may be property interests connected with the risk of the loss (destruction) or shortage of or damage to property (property insurance).

Objects of financial risk insurance may be the property interests of a policyholder (insured entity) related to the risk of loss of income or unforeseen expenses of individuals and legal entities (financial risk insurance).

5. Objects of business risk insurance may be property interests connected with the risk of losses from entrepreneurial activity as a result of the non-fulfilment of obligations by an entrepreneur's counterparties or a change in the conditions of this activity due to circumstances beyond the entrepreneur's control, including risk of non-receipt of expected income (business risk insurance).

6. Objects of third party liability insurance may be property interests related to:

1) the risk of liability for inflicting harm to the life, health, or property of citizens or the property of legal entities, municipalities, constituent territories of the Russian Federation, or the Russian Federation;

2) the risk of liability for breach of contract.

7. The objects specified in Clauses 1 to 3 hereof shall refer to personal insurance; the objects specified in Clauses 4 to 6 hereof shall refer to property insurance.

8. Unless otherwise established by federal laws, when providing insurance, it shall be permissible to combine property insurance objects of different types stipulated by Clauses 4 to 6 hereof and personal insurance objects stipulated by Clauses 2 and 3 hereof, or only the personal insurance objects stipulated by Clauses 1 to 3 hereof (combined insurance).

Article 4¹. Participants of the Relations Governed by this Law

(introduced by Federal Law No. 172-FZ, dated 10 December 2003)

1. The participants of the relations governed by this Law shall be the following:

1) policyholders, insured entities, beneficiaries;

2) insurance companies, including reinsurance companies;

(Sub-clause 2 as amended by Federal Law No. 234-FZ, dated 23 July 2013)

3) mutual insurance companies;

4) insurance agents;

5) insurance brokers;

6) actuaries;

(Sub-clause 6 as amended by Federal Law No. 234-FZ, dated 23 July 2013)

7) the Bank of Russia, which carries out regulation, control, and supervision of insurance activity (insurance business) (hereinafter, the insurance supervisory body);

(Sub-clause 7 as amended by Federal Law No. 234-FZ, dated 23 July 2013)

8) associations of insurance entities, associations of insurance agents, associations of policyholders, insured entities, and beneficiaries, as well as self-regulatory organisations in the financial market that unite insurance companies, self-regulatory organisations in the financial market that unite insurance brokers, and self-regulatory organisations in the financial market that unite mutual insurance companies (hereinafter, the self-regulatory organisations in the financial market);

(Sub-clause 8 as amended by Federal Law No. 292-FZ, dated 3 July 2016)

9) specialised depositories.

(Sub-clause 9 introduced by Federal Law No. 234-FZ, dated 23 July 2013)

2. Insurance companies, mutual insurance companies, and insurance brokers shall be insurance entities.

(Paragraph as amended by Federal Law No. 234-FZ, dated 23 July 2013)

The activity of insurance entities shall be subject to licensing.

(Paragraph as amended by Federal Law No. 234-FZ, dated 23 July 2013)

Data on insurance entities shall be entered in the Unified State Register of Insurance Entities in accordance with the procedure established by the insurance supervisory body.

The Unified State Register of Insurance Entities shall include information on the insurance entity and its name, location, director, and founders (shareholders, members); the primary state registration number of a legal entity; the primary state registration number of an individual entrepreneur; the number and date of issue of its licence; the type of insurance activity for which the licence was issued; the types of insurance provided as part of the corresponding type of insurance activity (for insurance companies and mutual insurance companies); the insurance rules accepted and approved by insurance companies and mutual insurance companies within the framework of the corresponding types of insurance; constituent territories of the Russian Federation in which the compulsory medical insurance is performed; the domain name and (or) the official website of the insurance entity on the Internet; branches and representative offices of the insurer and their location;

adoption of a decision on the suspension, renewal or revocation of the licence; appointment of a provisional administration and termination of its activities (the date and number of the order of the insurance supervisory body and the date of its entry into force); and other data related to the activities of insurance entities.

(Paragraph as amended by Federal Law No. 251-FZ, dated 29 July 2018)

In the case of changes in the data of an insurance entity, the relevant information shall be entered in the Unified State Register of Insurance Entities no later than five (5) business days from the date of receipt by the insurance supervisory body of the documents containing information on changes in the data of the insurance entity.

(Paragraph introduced by Federal Law No. 234-FZ, dated 23 July 2013; as amended by Federal Law No. 251-FZ, dated 29 July 2018)

3. The name (company name) of an insurance entity that is a legal entity shall contain:

1) an indication of the form of incorporation of the insurance entity;

2) an indication of the activity of the insurance entity using the words 'insurance' and (or) 'reinsurance', or 'mutual insurance', or 'insurance broker', or derivatives of such words and phrases;

3) a designation that individualises the insurance entity;

(Sub-clause 3 as amended by Federal Law No. 104-FZ, dated 21 July 2005)

4) an indication that a joint-stock company is public, for public joint-stock companies;

(Sub-clause 4 introduced by Federal Law No. 146-FZ, dated 23 May 2016)

5) the words 'consumer mutual insurance companies' for mutual insurance companies.

(Sub-clause 5 introduced by Federal Law No. 146-FZ, dated 23 May 2016)

4. An insurance entity that is a legal entity shall not be entitled to use in full a designation that individualises another insurance entity. This provision shall not apply to subsidiaries and affiliates of an insurance entity.

(Clause 4 introduced by Federal Law No. 104-FZ, dated 21 July 2005; as amended by Federal Law No. 146-FZ, dated 23 May 2016)

Article 5. Policyholders

1. Policyholders shall be legal entities and legally competent individuals that have concluded insurance contracts with insurers or policyholders by operation of law.

2–3. No longer valid. – Federal Law No. 172-FZ, dated 10 December 2003.

Article 6. Insurers

1. Insurers shall be insurance companies and mutual insurance companies established in accordance with the legislation of the Russian Federation to provide insurance, reinsurance, or mutual insurance and licensed to carry out the respective type of insurance business as prescribed by this Law. Insurance companies providing exclusively reinsurance shall be reinsurance companies.

(Paragraph as amended by Federal Law No. 234-FZ, dated 23 July 2013)

Insurers shall be entitled to invest their equity capital and insurance reserves and carry out transactions with property for the purpose of their activities, including to sell property acquired for the purpose of their activities and property acquired as a result of the policyholder's (beneficiary's) waiver of the rights to the insured property in favour of the insurer in order to receive the insurance indemnity in full.

(Paragraph introduced by Federal Law No. 251-FZ, dated 29 July 2018)

2. Insurers shall assess insurance risk, receive insurance premiums, form insurance reserves, invest assets, determine the amount of loss or damage, pay insurance indemnities, and perform other actions connected with the execution of obligations under insurance contracts.

Insurers shall be entitled to insure either only the objects of personal insurance provided for in Clauses 1 to 3 of Article 4 thereof or only the objects of property and personal insurance provided for in Clauses 2 to 6 of Article 4 thereof respectively.

(Paragraph as amended by Federal Laws No. 172-FZ, dated 10 December 2003 and No. 234-FZ, dated 23 July 2013)

At the end of each reporting year, the activities of insurance companies, except for medical insurance companies providing exclusively compulsory medical insurance and mutual insurance companies shall be subject to mandatory actuarial evaluation by the responsible actuary. The actuarial report compiled on the basis of the mandatory actuarial evaluation shall be submitted by the insurer to the insurance supervisory body together with the annual accounting (financial) statements, unless a different term for the submission of such actuarial report is established by the insurance supervisory body, but no later than 1 July of the year following the reporting year.

(Paragraph introduced by Federal Law No. 234-FZ, dated 23 July 2013, as amended by Federal Laws No. 39-FZ, dated 8 March 2015; No. 194-FZ, dated 23 June 2016)

Insurers shall maintain separate accounting of expenses by types of compulsory insurance in accordance with the procedure established by the insurance supervisory body.

(Paragraph introduced by Federal Law No. 234-FZ, dated 23 July 2013)

Insurance companies, except for those engaged in compulsory medical insurance, shall approve a regulation on insurance risk assessment and management which contains the aims, forms and methods of insurance risk assessment, methods of risk management, classification of insurable (reinsurable) objects and risks, regulations on the inspection of insured and (or) insurable (reinsurable) objects, regulations on the diversification of insurance risks, and other regulations not contradicting the legislation of the Russian Federation and aimed at the adoption of a decision by the insurer on concluding an insurance (reinsurance) contract, its terms and conditions and the transfer of risks for reinsurance.

(Paragraph introduced by Federal Law No. 251-FZ, dated 29 July 2018)

2¹. Insurers shall create conditions for the safekeeping of the documents the list of which and the requirements for the safekeeping of which are established by the insurance supervisory body as well as information contained

in the information systems whose maintenance is stipulated by Article 29¹ thereof.

(Clause 2¹ introduced by Federal Law No. 65-FZ, dated 22 April 2010, as amended by Federal Laws No. 362-FZ, dated 30 November 2011 and No. 222-FZ, dated 23 June 2016)

2². If for insurance purposes information contained in the Unified State Register of Real Estate is required, an insurance company shall not be entitled to demand the disclosure of such information from policyholders, insured entities, beneficiaries, or entities intending to conclude an insurance contract. In this case, according to the procedure established by Federal Law No. 218-FZ, dated 13 July 2015, 'On the State Registration of Real Estate', within three (3) business days from the date of application of a citizen, his/her representative, or the representative of a legal entity, the insurance company shall request and receive, within the period established by this Federal Law, the information contained in the Unified State Register of Real Estate in the federal executive body authorised by the Government of the Russian Federation to perform state cadastral registration and state registration of rights, to maintain the Unified State Register of Real Estate, and to provide information contained in the Unified State Register of Real Estate, its territorial bodies, or its subordinated state budget-financed organisation authorised by such body, only in electronic form.

(Clause 2² as amended by Federal Law No. 361-FZ, dated 3 July 2016)

3. Insurance companies which are subsidiaries of foreign investors (parent companies) or in whose authorised capital foreign investors own a share over 49 per cent may not provide insurance of the life, health, and property of citizens in the Russian Federation at the expense of funds allocated for these purposes from the budget to federal executive bodies (policyholders), insurance connected with the procurement of goods, works, or services for state and municipal needs, as well as insurance of property interests of state and municipal organisations.

Paragraph invalid since 22 August 2017. – Federal Law No. 234-FZ, dated 23 July 2013.

For the purposes of this Law, foreign investors shall mean foreign organisations entitled, according to the procedure and on the terms established by the legislation of the Russian Federation, to make investments in the authorised capital of insurance companies created or newly created in the Russian Federation.

If the amount (quota) of the participation of foreign investors in the authorised capitals of insurance companies exceeds 50 per cent, the insurance supervisory body shall stop issuing licences for insurance activities to the insurance companies which are subsidiaries of foreign investors (parent companies) or in the authorised capital of which foreign investors own a share greater than 49 per cent.

The amount (quota) of participation of foreign investors in the authorised capitals of insurance companies shall be calculated by the insurance supervisory body annually as of 1 January in accordance with the established procedure, on the basis of information about the authorised capitals of the insurance companies as of 1 January of the current year. Information about the amount (quota) of participation of foreign investors in the authorised capitals of insurance companies or about the introduction or termination of the restrictions on foreign investments stipulated in Paragraphs 4 and 7 of this Clause shall be published by the insurance supervisory body in a printed matter and posted on the official website of the insurance supervisory body within ten (10) days from the date of adoption of the respective decision.

An insurance company shall obtain the prior permission of the insurance supervisory body to increase the amount of its authorised capital at the expense of foreign investors and (or) their subsidiaries or to alienate its shares (stakes in the authorised capital) for the benefit of foreign investors (including selling them to foreign investors), and Russian shareholders (participants) shall obtain the prior permission of the insurance supervisory body to alienate their shares (stakes in the authorised capital) in the insurance company for the benefit of

foreign investors and (or) their subsidiaries. The validity period of the said prior permissions shall be one year.

(Paragraph as amended by Federal Law No. 251-FZ, dated 29 July 2018)

If the amount (quota) of participation of foreign investors in the authorised capitals of insurance companies stipulated by this Clause is exceeded, the insurance supervisory body shall deny prior permission to insurance companies which are subsidiaries of foreign investors (parent companies), or in the authorised capital of which the share of foreign investors exceeds 49 per cent, or which become such as a result of these transactions.

Payment by foreign investors for their shares (stakes in the authorised capitals) in insurance companies shall be made exclusively in monetary form in the currency of the Russian Federation.

(Clause 3 as amended by Federal Law No. 234-FZ, dated 23 July 2013)

4. An insurance company which is a subsidiary of a foreign investor (parent company) or in the authorised capital of which the share of foreign investors exceeds 49 per cent shall have the right to engage in insurance activity in the Russian Federation, if the foreign investor (parent company) is an insurance company that has been carrying out its activities in accordance with the legislation of the respective state no less than five (5) years.

(Paragraph as amended by Federal Law No. 234-FZ, dated 23 July 2013)

Paragraph no longer valid. – Federal Law No. 234-FZ, dated 23 July 2013.

(Clause 4 introduced by Federal Law No. 204-FZ, dated 20 November 1999)

4¹. In cases stipulated by Clause 3 hereof, the prior permission of the insurance supervisory body shall be given within thirty (30) days from the date of receipt by the insurance supervisory body of an application and attached documents according to the list of documents required for obtaining prior permission approved by the insurance supervisory body.

(Clause 4¹ as amended by Federal Law No. 234-FZ, dated 23 July 2013)

5. No longer valid. – Federal Law No. 234-FZ, dated 23 July 2013.

6. For the purposes of informing policyholders, insured entities, beneficiaries, and persons intending to conclude an insurance contract about its

activities, an insurer shall have its own website which provides, in particular, the following information:

1) the full name, address (location), phone numbers, and working hours of the insurer and its branches and representative offices;

2) information about the executives and shareholders (participants, members) of the insurer;

3) information about title documents, including information about the principal state registration number, taxpayer identification number, and registration number in the Unified State Register of Insurance Entities, as well as information about the insurer's licence and its expiration date;

4) a list of insurance types provided;

5) insurance rules and insurance rates;

6) the annual accounting (financial) statements of the insurer and an auditor's report confirming their reliability for the previous three (3) reporting years;

7) the annual consolidated financial statements and an auditor's report confirming their reliability for the previous three (3) reporting years;

8) ratings assigned to the insurer by rating agencies (if any);

9) information on the activities of the insurer and its experience in providing different types of insurance;

10) information on participation in associations (unions), including self-regulatory organisations in the financial market and professional associations of insurers;

(Sub-clause 10 as amended by Federal Law No. 292-FZ, dated 3 July 2016)

11) other information whose publication is stipulated by the legislation of the Russian Federation or follows from business practice.

(Clause 6 introduced by Federal Law No. 234-FZ, dated 23 July 2013)

7. The information on the activities of the insurer referred to in Clause 6 hereof shall be posted on the website of the insurer within five (5) business days from the date of adoption of the respective decision by the insurer or, if it

is necessary to register it or notify the competent authorities about the adopted decision, from the date of registration or notification.

Requirements for the publication by the insurer of the information referred to in Clause 6 hereof shall be established by the insurance supervisory body.

(Clause 7 introduced by Federal Law No. 234-FZ, dated 23 July 2013)

8. The insurer shall keep the documents containing the information specified in Clause 6 hereof on electronic media within the period stipulated by the legislation on archive-keeping in the Russian Federation and provide them upon the request of the insurance supervisory body within fifteen (15) business days from the date of receipt of the request.

(Clause 8 introduced by Federal Law No. 234-FZ, dated 23 July 2013)

9. For the purposes of this Law, an insurance group shall mean an association of legal entities which is not a legal entity and in which one or several legal entities (hereinafter, the insurance group participants) are controlled or significantly influenced by an insurance company (hereinafter, the parent insurance company of the insurance group).

Control and significant influence for the purpose of determining the insurance group participants and the parent insurance company of the insurance group shall be defined in accordance with the International Financial Reporting Standards recognised in the Russian Federation.

(Clause 9 introduced by Federal Law No. 234-FZ, dated 23 July 2013)

10. The limitations established in Paragraphs 1 and 2 of Clause 3 and Clause 4 hereof shall not apply to insurance companies which are subsidiaries of foreign investors (parent companies), or in the authorised capital of which the share of foreign investors exceeds 49 per cent, which were created or reorganised before 22 August 2012 and, in accordance with the applicable legislation of the Russian Federation, had the right to carry out the insurance activities specified in Paragraphs 1 and 2 of Clause 3 and Clause 4 hereof.

(Clause 10 introduced by Federal Law No. 234-FZ, dated 23 July 2013)

Article 6¹. Particularities of Electronic Information Exchange between the Policyholder and the Insurer

(introduced by Federal Law No. 149-FZ, dated 4 June 2014)

1. The policyholder (insured entity, beneficiary) shall create information (an application for the conclusion, amendment, or early termination of the insurance contract; a notification about the occurrence of an insured event; an application for an insurance indemnity and (or) other documents) for the conclusion, amendment, or early termination of the insurance contract, to receive an insurance indemnity in the cases and according to the procedure stipulated by the insurance rules and send it electronically to the insurer through the official website of the insurer specified in Clause 6 of Article 6 thereof. This official website of the insurer may be used as an information system for the electronic information exchange between the policyholder and the insurer which is the operator of this information system.

(Paragraph as amended by Federal Law No. 194-FZ, dated 23 June 2016)

For the purposes stipulated by this Article, this official website of the insurer may be accessed by the policyholder (insured entity, beneficiary) using a unified system of identification and authentication.

2. In the case of voluntary insurance, electronic information sent to the insurer and signed with the simple electronic signature of the individual policyholder (insured entity, beneficiary) in accordance with the requirements of Federal Law No. 63-FZ, dated 6 April 2011, 'On Electronic Signatures', shall be acknowledged as an electronic document equivalent to a paper document signed with the handwritten signature of the individual, unless otherwise provided for in the insurance rules.

In the case of voluntary insurance, the requirements for the use of electronic documents and the procedure for electronic information exchange between the policyholder (insured entity, beneficiary) and the insurer shall be established by the insurance rules and (or) other agreement between the parties

with the observance of the requirements of Federal Law No. 115-FZ, dated 7 August 2001, 'On Countering the Legalisation (Laundering) of Criminally-Obtained Incomes and the Financing of Terrorism' and Federal Law No. 63-FZ, dated 6 April 2011, 'On Electronic Signatures'.

3. In the case of compulsory insurance, the requirements for the use of electronic documents and the procedure for electronic information exchange between the policyholder (insured entity, beneficiary) and the insurer, in particular, the acknowledgement of electronic information signed with a simple electronic signature as an electronic document equivalent to a paper document signed with a handwritten signature, shall be established by federal laws on specific types of compulsory insurance and the regulations of the insurance supervisory body adopted in pursuance thereof, observing the requirements of Federal Law No. 115-FZ, dated 7 August 2001, 'On Countering the Legalisation (Laundering) of Criminally-Obtained Incomes and the Financing of Terrorism' and Federal Law No. 63-FZ, dated 6 April 2011, 'On Electronic Signatures'.

4. In accordance with Clauses 2 and 3 of Article 434 and Article 940 of the Civil Code of the Russian Federation, a voluntary insurance contract may be executed in the form of an electronic document with due account of the particularities defined by this Law. If the insurer sends an insurance policy (certificate, receipt) signed with the enhanced encrypted and certified electronic signature of the insurer, in compliance with the requirements of Federal Law No. 63-FZ, dated 6 April 2011, 'On Electronic Signatures', to the individual policyholder on the basis of his/her application whether in writing or orally, a voluntary insurance agreement drawn up in the form of an electronic document shall be deemed to have been concluded by the policyholder on the insurer's conditions upon the payment of the insurance premium by the policyholder. After reviewing the terms of the voluntary insurance contract and the insurance rules, the individual policyholder shall pay the insurance

premium, thereby confirming his/her consent to enter into the contract on the insurer's conditions.

5. Insurance agents and insurance brokers shall not be allowed to provide services connected with the conclusion of insurance contracts in the form of electronic documents in accordance with this Article.

Article 7. Procedure for Regulating the Activity of Mutual Insurance Companies

(as amended by Federal Law No. 287-FZ, dated 29 November 2007)

The activity of mutual insurance companies shall be governed by the Civil Code of the Russian Federation, this Law, the federal law on mutual insurance, and other federal laws.

Article 8. Insurance Agents and Insurance Brokers

(as amended by Federal Law No. 234-FZ, dated 23 July 2013)

1. The activity of insurance agents and insurance brokers connected with insurance and reinsurance shall mean activity undertaken in the interests of insurers or policyholders and related to the provision of services for the selection of a policyholder and (or) insurer/reinsurer and conditions of insurance/reinsurance, the execution, conclusion, amendment, and support of an insurance/reinsurance contract, the execution of documents for the settlement of claims for insurance indemnities, interaction with the insurer/reinsurer, and consultation.

Similar activities carried out by a policyholder in respect of the insured entities as well as similar activities carried out by the insurer or its employee shall not be considered activities carried out by an insurance agent/insurance broker.

2. The following persons shall not be allowed to act as an insurance agent/insurance broker: persons with an unexpunged or outstanding conviction, persons managing an insurer within two (2) years before it was deemed bankrupt by an arbitration court, until the expiration of three (3) years from the date the insurer was deemed bankrupt, and persons holding positions in the management bodies of the insurer or its subsidiaries or affiliates.

(Clause 2 as amended by Federal Laws No. 146-FZ, dated 23 May 2016; No. 363-FZ, dated 3 July 2016)

3. An insurance agent/insurance broker shall be liable for non-performance or improper performance of the obligations arising from their activities, including the disclosure of information constituting commercial secret of the insurer or the personal data of policyholders, and the accuracy, objectivity, completeness, and timeliness of information and documents confirming their powers.

An insurance agent/insurance broker shall ensure the safekeeping of funds in the case of receipt of insurance premiums from policyholders as well as the safety of documents provided by the insurer and the policyholder and shall provide the insurer with a report on the use of forms of insurance policies and certificates and return unused and corrupted forms of insurance policies and certificates in accordance with the procedure and on the terms stipulated by the contract concluded between the insurer and the insurance agent/insurance broker or in accordance with the legislation of the Russian Federation.

The insurance agent/insurance broker shall be entitled to receive information from the insurer about the amount of its authorised capital and insurance reserves, its licence for providing insurance or reinsurance, its period of activity as an insurance entity, and types and terms of insurance provided.

4. An insurance agent/insurance broker may not specify themselves as a beneficiary under insurance contracts concluded by them for the benefit of third parties. An insurer shall execute insurance contracts concluded on behalf and (or) in the interests of the insurer by the insurance agent/insurance broker,

regardless of the methods and timeframes of implementation of the insurance policies and the date of receipt by the insurer of the insurance premium paid by the policyholder to the insurance agent/insurance broker.

The remuneration paid by the insurer to the insurance agent/insurance broker for compulsory insurance stipulated by federal laws on specific types of compulsory insurance may not exceed ten (10) per cent of the insurance premium.

5. Insurance agents shall be individuals, including individuals registered in accordance with the procedure established by the legislation of the Russian Federation as individual entrepreneurs, or legal entities acting on the basis of a civil contract on behalf and for the account of the insurer in accordance with the powers granted to them.

Oversight of the activities of insurance agents shall be exercised by the insurer, including audits of their activities and their statements about the security and use of forms of insurance policies and certificates, the safekeeping of funds received from the policyholders, and the execution of other powers.

Insurance agents shall have the information about the activities of the insurer stipulated by Article 6 thereof, provide it upon request to policyholders, insured entities, beneficiaries, and persons intending to conclude an insurance contract, as well as disclose to these persons any information about their name, powers, and activities, including telephone numbers, working hours, location (for insurance agents which are legal entities), the list of services rendered and their cost, including the amount of their remuneration.

6. Insurance brokers shall be legal entities (commercial organisations) or individuals permanently residing in the Russian Federation and registered in accordance with the procedure established by the legislation of the Russian Federation as individual entrepreneurs that act under a contract for the provision of insurance broker services, namely, performing legal and other actions to conclude, amend, terminate, and execute insurance contracts on the instructions of individuals or legal entities (policyholders) on their own

behalfes but for the account of these persons or performing legal and other actions to conclude, amend, terminate, and execute insurance (reinsurance) contracts on behalf and for the account of the policyholders (cedents) or the insurers (reinsurers). When the insurer and the insurance broker conclude a contract for the provision of insurance broker services, the insurer shall determine the list of services to be performed by the insurance broker, their rights and obligations, the procedure for execution of the contract, its duration, the cost of services (remuneration of the insurance broker), and the settlement procedure, including the procedure and terms of transfer to the insurer of funds received by the insurance broker to pay for an insurance (reinsurance) contract (if such activities are conducted by the insurance broker).

If the insurance broker carries out intermediary activity in the interests of the insurer, the insurance broker shall notify the policyholder of this and shall not be entitled to receive remuneration for services rendered under a single insurance contract from both the insurer and the policyholder.

Insurance brokers shall be entitled to carry out other activities associated with the provision of insurance services and not prohibited by law, except for the activities of an insurer, reinsurer, or insurance agent.

An insurance broker shall not be entitled to provide exclusively compulsory insurance services.

Insurance brokers that receive funds from policyholders (cedents) as payment for an insurance (reinsurance) contract shall deposit the funds into a special bank account for subsequent transfer to the insurer within three (3) business days. Insurance brokers shall not be entitled to carry out other operations with this account.

Insurance brokers that receive funds from policyholders (cedents) as payment for an insurance (reinsurance) contract shall have a performance bond in the form of a bank guarantee in the amount of no less than three (3) million rubles or on the basis of equity in the amount of no less than three (3) million rubles placed in monetary funds.

7. The activity of foreign insurance brokers in the Russian Federation shall not be allowed, except for intermediary activity as a reinsurance broker and in cases stipulated by the legislation of the Russian Federation.

8. An insurance broker shall provide information to the policyholder upon request about its name, location, licence for intermediary activity as an insurance broker, list of services, the insurer in whose favour the insurance is being performed, participation (indicating the share) or non-participation in the capital of the insurer (insurers), and types and conditions of insurance, as well as the results of the analysis of insurance services (insurance objects, insurance risks, insurance rates, and other insurance conditions of different insurers) confirming that the offer of the insurance broker to the policyholder satisfies the needs of the policyholder.

The insurance broker shall provide to the insurer information obtained from the policyholder about the insurance risk, the insurance object, the need for insurance and other information and documents connected with the conclusion and support of the insurance contract and the performance of the duties in accordance with the procedure and in the scope established by the legislation of the Russian Federation and the contract between the insurer and the insurance broker.

9. Oversight of the activity of insurance brokers shall be performed by the insurance supervisory body in accordance with the requirements of this Law and by the insurer as it pertains to the execution of the powers and duties stipulated by the contract between the insurer and the insurance broker.

10. Insurance agents and insurance brokers shall explain the provisions contained in the insurance rules and the insurance contract to policyholders, insured entities, beneficiaries, and persons intending to conclude an insurance contract upon their request. Insurance agents and insurance brokers that are legal entities shall publish the information provided for in Clauses 5 and 8 hereof on their websites.

11. Insurers shall maintain registers of insurance agents and insurance brokers with which they have concluded contracts for the provision of services related to insurance. Insurers shall publish information from the register of insurance agents and insurance brokers making it possible to identify the insurance agent or insurance broker as a person or entity with which the insurer has concluded a contract for the provision of services related to insurance (the name of the insurance agent/insurance broker, certificate number, or contract number) on their websites. The insurer may transfer the right to maintain the register of the insurance agents and insurance brokers and to publish the information on the Internet to an association of insurers; in this case the insurer shall publish information about this fact and about such association of insurers on its website.

Article 8¹. *Invalid since 1 September 2013. – Federal Law No. 234-FZ, dated 23 July 2013.*

Article 9. Insurance Risk, Insured Event

(as amended by Federal Law No. 172-FZ, dated 10 December 2003)

1. An insurance risk shall mean a potential event whose occurrence is insured against.

An event considered as an insurance risk shall possess the characteristics of the likelihood and randomness of its occurrence.

2. An insured event shall mean an accomplished event provided for by an insurance contract or by law whose occurrence makes the insurer pay insurance indemnity to the policyholder, the insured entity, the beneficiary, or other third parties.

3. *No longer valid – Federal Law No. 172-FZ, dated 10 December 2003.*

Article 10. Sum Insured, Insurance Indemnity, Deductible

(as amended by Federal Laws No. 172-FZ, dated 10 December 2003; No. 234-FZ, dated 23 July 2013)

1. A sum insured shall mean a sum of funds that is determined in accordance with the procedure established by federal laws and (or) the insurance contract at its conclusion and on the basis of which the amount of insurance premium and the amount of insurance indemnity upon the occurrence of an insured event are determined.

(Clause 1 as amended by Federal Law No. 234-FZ, dated 23 July 2013)

2. In the case of property insurance, the sum insured shall not exceed its actual value (insured value) at the time of conclusion of the insurance contract. The parties may not challenge the insured value of the property defined by the insurance contract, unless the insurer can prove that it was intentionally misled by the policyholder.

In the case of personal insurance, the sum insured or the method for determining it shall be established by the insurer in agreement with the policyholder under the insurance contract.

(Paragraph as amended by Federal Law No. 234-FZ, dated 23 July 2013)

3. An insurance indemnity shall mean an amount of funds that is determined in accordance with the procedure established by federal laws and (or) the insurance contract and paid by the insurer to the policyholder, insured entity, or beneficiary upon the occurrence of an insured event.

(Paragraph as amended by Federal Law No. 234-FZ, dated 23 July 2013)

The insurance indemnity under insurance contracts shall be paid in the currency of the Russian Federation, except for the cases provided for by Clause 4 hereof, the currency legislation of the Russian Federation, and regulations adopted by foreign exchange regulatory bodies in pursuance thereof.

(Paragraph as amended by Federal Law No. 90-FZ, dated 18 July 2005)

Insurers shall not be entitled to refuse to pay an insurance indemnity on grounds not stipulated by federal laws or the insurance contract.

(Paragraph introduced by Federal Law No. 234-FZ, dated 23 July 2013)

4. The terms of property insurance and (or) third party liability insurance within the limits of the sum insured may provide for replacing the insurance indemnity with property similar to the lost property, and in the case of property damage not resulting in its loss, with the organisation of and (or) payment for the repair of the damaged property by the insurer at the expense of the insurance indemnity.

(Clause 4 as amended by Federal Law No. 234-FZ, dated 23 July 2013)

5. In the case of the loss or destruction of the insured property, the policyholder/beneficiary shall be entitled to sign over the rights to the property to the insurer in order to receive an insurance indemnity equal to the full sum insured.

6. In the case of personal insurance, the insurance indemnity (sum insured) shall be paid to the policyholder or to the person entitled to receive the insurance indemnity (sum insured) under the insurance contract regardless of the sums due to them in accordance with other insurance contracts or with compulsory social insurance, social security, and indemnification. In accordance with the terms of the insurance contract, the insurer shall be entitled to arrange, at the expense of the insurance indemnity (sum insured), the provision of medical services to the insured person and pay for medical services provided to the insured person.

(Paragraph as amended by Federal Law No. 234-FZ, dated 23 July 2013)

In the case of life insurance, in addition to the sum insured, the insurer may pay a part of investment income to the policyholder or other person for whose benefit the life insurance contract was concluded.

(Paragraph as amended by Federal Law No. 234-FZ, dated 23 July 2013)

The amount of investment income subject to distribution between life insurance contracts providing for the participation of policyholders or other persons for whose benefit the life insurance contract was concluded in the investment income of the insurer shall be determined by the insurer. The procedure for calculating the said income and the methodology for its distribution between life insurance contracts shall be established by the

association of insurers. The policyholder or other person for whose benefit the life insurance contract was concluded shall be entitled to ask the insurer for an explanation of the procedure for calculating the investment income.

(Paragraph introduced by Federal Law No. 234-FZ, dated 23 July 2013)

7. In the case of the termination of a life insurance contract providing for the insured person living to a certain age or the occurrence of another event, the policyholder shall receive the amount within the insurance reserve formed according to the established procedure at the date of termination of the insurance contract (the living benefit).

8. Organisations and individual entrepreneurs shall provide to insurers, on their request, documents and opinions related to the occurrence of the insured event and necessary for making a decision on the insurance indemnity in accordance with the legislation of the Russian Federation.

9. A deductible shall mean a part of losses defined by federal laws and (or) the insurance contract not subject to indemnification by the insurer to the policyholder or other person whose interest is insured in accordance with the insurance contract and shall be determined as a percentage of the sum insured or as a fixed amount.

In accordance with the terms of the insurance, a deductible may be a franchise deductible (the insurer is exempted from compensation of loss, if its amount does not exceed the deductible, but compensates it completely, if the amount of loss exceeds the deductible) or an ordinary deductible (the amount of insurance indemnity is determined as the difference between the loss amount and the deductible).

An insurance contract may provide for other types of deductible.

(Clause 9 introduced by Federal Law No. 234-FZ, dated 23 July 2013)

Article 11. Insurance Premium and Insurance Rate

(as amended by Federal Law No. 172-FZ, dated 10 December 2003)

1. The insurance premium shall be paid by the policyholder in the currency of the Russian Federation, except for the cases provided for by the currency legislation of the Russian Federation and regulations adopted by foreign exchange regulatory bodies in pursuance thereof.

(Clause 1 as amended by Federal Law No. 90-FZ, dated 18 July 2005)

2. The insurance rate shall mean the rate of the insurance premium based on a unit of the sum insured, taking into account the insurance object and the nature of the insurance risks and other insurance conditions, including whether there is a deductible and its amount in accordance with the insurance conditions.

The insurers shall apply actuarially (economically) reasonable insurance rates which are determined in accordance with the standards of actuarial activity.

(Paragraph as amended by Federal Law No. 251-FZ, dated 29 July 2018)

Unless otherwise provided for by federal laws, an insurer shall establish insurance rates in accordance with its approved methodology for calculating insurance rates that contains a reference to the standards of actuarial activity which were used to determine the values of insurance rates.

(Paragraph as amended by Federal Law No. 251-FZ, dated 29 July 2018)

The insurance rates (basic rates and their ratios or bounds of these ratios) for voluntary insurance shall be calculated by insurers for the types of insurance on the basis of statistical data (including statistical data collected, processed, and analysed by associations of insurers) which contain information about insured events, insurance indemnities, and the loss ratio of insurance operations for no less than three (3) reporting years preceding the date of calculation of the insurance rates for types of insurance not related to life

insurance and for no less than five (5) reporting years preceding the date of calculation of insurance rates for life insurance.

The insurance rate under a specific voluntary insurance contract shall be determined by the agreement of the parties.

(Clause 2 as amended by Federal Law No. 234-FZ, dated 23 July 2013)

Article 12. Co-insurance

(as amended by Federal Law No. 234-FZ, dated 23 July 2013)

1. Co-insurance shall mean insurance providing for the conclusion of an insurance contract in respect of the insurance object between several insurers and a policyholder, under which the insurance risks, sum insured, and insurance premium are allocated between the insurers in a proportion established in such contract.

2. Upon the occurrence of an insured event under an insurance contract concluded in accordance with Clause 1 hereof, the policyholders, insured entities, and beneficiaries shall be entitled to apply to any insurer specified in this contract for an insurance indemnity.

If an insurance contract concluded in accordance with Clause 1 hereof does not specify the rights and obligations of each of the insurers, they shall be jointly responsible to the policyholders, insured entities, and beneficiaries for insurance indemnities.

Article 13. Reinsurance

(as amended by Federal Law No. 234-FZ, dated 23 July 2013)

1. Reinsurance shall mean the insurance by an insurer (reinsurer) of the property interests of another insurer (cedent) connected with the commitment

to pay an insurance indemnity assumed by the latter under an insurance contract (the principal contract).

The risk (part of the risk) of the insurance indemnity or the loss amount or the loss ratio under the insurance contract that is non-reinsurable and is retained by the cedent shall be determined according to the procedure and (or) in the amount established in the accounting policy of the cedent. The risk of the insurance indemnity exceeding the retention amount of the cedent shall be ceded.

In accordance with Federal Law No. 320-FZ, dated 3 August 2018, starting 4 August 2019, Paragraph 2 of Clause 1 of Article 13 will be supplemented with the words 'unless otherwise provided for by federal laws' after the words 'the accounting policy of the cedent'.

2. Reinsurance shall be provided under a reinsurance contract concluded between the cedent and the reinsurer in compliance with the requirements of the civil legislation of the Russian Federation.

Along with the reinsurance contract, other documents executed in accordance with reinsurance business practices may be used as a confirmation of the agreement between the cedent and the reinsurer regarding the reinsurance and its conditions.

3. Unless otherwise provided for by the reinsurance contract, the reinsurer (retrocedent) shall be entitled to transfer the insurance indemnity commitment (part of the insurance indemnity commitment) assumed by it under the reinsurance contract to another reinsurer or other reinsurers (retrocessionaries) under subsequent reinsurance contracts (retrocession).

4. Reinsurance shall be provided in the form of facultative, obligatory, facultative-obligatory, or obligatory-facultative reinsurance as well as in the form of proportional or non-proportional reinsurance.

5. In the case of facultative reinsurance, the cedent shall be entitled to transfer to the reinsurer the insurance indemnity commitment or part of the insurance indemnity commitment under the principal insurance contract

entered into by the cedent, and the reinsurer shall be entitled to reinsure this commitment or part of the commitment or refuse to reinsure it.

6. In the case of obligatory reinsurance, the cedent shall transfer to the reinsurer under the reinsurance contract concluded between them the insurance indemnity commitment or part of the insurance indemnity commitment under the principal insurance contracts entered into by the cedent and subject to the reinsurance contract, and such commitments shall be considered as reinsured by the reinsurer upon the entry into force of the respective principal insurance contract, unless otherwise provided for in the reinsurance contract.

7. In the case of facultative-obligatory reinsurance, the cedent shall be entitled to transfer to the reinsurer the insurance indemnity commitment or part of the insurance indemnity commitment under the principal insurance contract entered into by the cedent, and the reinsurer shall reinsure this commitment or part of the commitment.

8. In the case of obligatory-facultative reinsurance, the cedent shall transfer to the reinsurer under the reinsurance contract concluded between them the insurance indemnity commitment or part of the insurance indemnity commitment under the principal insurance contracts entered into by the cedent and subject to the reinsurance contract, and the reinsurer shall be entitled to reinsure these commitments or part of these commitments or refuse to reinsure them.

9. Special considerations of proportional and non-proportional reinsurance shall be determined by the terms of the respective reinsurance contracts.

10. The contract between the cedent and the reinsurer may provide for the commitment of the reinsurer to pay to the cedent part of the positive difference between the income and expenses of the reinsurer under the reinsurance contract concluded between them or under a group of such contracts for a certain period of time (a profit commission).

11. Foreign insurance and (or) reinsurance companies that have the right to conduct reinsurance activities in accordance with the national legislation of

the country where they are incorporated shall be entitled to reinsure Russian insurers' insurance indemnity commitments (part of such commitments) under the principal insurance contracts entered into by them.

12. An insurer's insurance indemnity commitment under a life insurance contract in terms of insurance against the risk of the insured person living to a certain age or period and an insurer's commitment under a contract of compulsory motor third party liability insurance shall not be subject to reinsurance.

13. Insurers that have life insurance licences shall not be entitled to reinsure property insurance risks.

Article 13¹. National Reinsurance Company

(introduced by Federal Law No. 363-FZ, dated 3 July 2016)

1. The national reinsurance company shall be incorporated as a joint-stock company in order to protect the property interests of the policyholders and ensure the financial sustainability of the insurers.

When the national reinsurance company is incorporated, one hundred (100) per cent of its shares shall be owned by the Bank of Russia.

2. No person or group of persons, as defined in accordance with Federal Law No. 135-FZ, dated 26 July 2006, 'On the Protection of Competition', with the exception of the Bank of Russia, shall be entitled to purchase more than ten (10) per cent of the shares of the national reinsurance company. Shares of the national reinsurance company acquired in violation of the prohibition specified in this Clause shall be sold in compliance with the legislation of the Russian Federation no later than one (1) month from the date when the shareholder learned or should have learned of such violation. If the shareholder(s) fail(s) to fulfil the said requirement, such shareholder(s) shall lose their votes at the general meeting of shareholders of the national reinsurance company in respect

of the shares exceeding ten (10) per cent of the shares of the national reinsurance company. These shares shall not be counted in determining the quorum of the general meeting of shareholders of the national reinsurance company or in voting at the general meeting of shareholders of the national reinsurance company.

3. The board of directors (supervisory board) of the national reinsurance company shall resolve the matters stipulated by the Civil Code of the Russian Federation and Federal Law No. 208-FZ, dated 26 December 1995, 'On Joint-stock Companies' as well as define, subject to the provisions of this Law, the forms and types of reinsurance, approve the regulation on insurance risk assessment and insurance risk management and the accounting policy of the national reinsurance company, and make decisions about participation in reinsurance pools.

4. The national reinsurance company shall establish the reinsurance council, which is a collective consultative body. The reinsurance council shall consist of representatives of insurance entities that have at least ten (10) years of work experience in the sphere of insurance (reinsurance), representatives of associations of insurance entities, including professional associations, representatives of the professional community engaged in education or research activities in the field of insurance, and responsible actuaries.

The procedure for organising and performing the activities of the reinsurance council shall be determined by the charter of the national reinsurance company in accordance with the requirements of this Law.

5. Employees of the shareholders of the national reinsurance company, shareholders of the national reinsurance company, their affiliates, or employees of affiliates may not be members of the reinsurance council.

6. Priority activities of the national reinsurance company and the regulation on insurance risk assessment and insurance risk management and their amendment shall be submitted for the approval of the board of directors (supervisory board) of the national reinsurance company after their

consideration by the reinsurance council and shall be subject to publication on the website of the national reinsurance company.

Article 13². Reinsurance of Insurance Indemnity Risks under Insurance Contracts Concluded to Protect the Property Interests of Certain Categories of Persons

(introduced by Federal Law No. 363-FZ, dated 3 July 2016)

1. The national reinsurance company shall perform reinsurance activities on the basis of a reinsurance licence, including through participation in the activities of reinsurance pools provided for by federal laws on specific types of compulsory insurance. The national reinsurance company shall not perform insurance activities.

2. The national reinsurance company shall assume the ceded insurance indemnity commitments under the principal contracts of insurance (reinsurance) of the property interests of the following persons:

1) those in relation to which restrictions have been imposed that are directly or indirectly associated with the decisions of authorities of foreign states or international organisations and preventing their reinsurance outside the Russian Federation;

2) owners of housing premises that have concluded insurance contracts with the cedent (insurer) against the loss (destruction) of premises as a result of emergency situations, including fire, flood, and other natural disasters, and in cases stipulated by the legislation of the Russian Federation.

In accordance with Federal Law No. 320-FZ, dated 3 August 2018, starting 4 August 2019, in Sub-clause 2 of Clause 2 of Article 13² the words 'premises as a result of emergency situations, including fire, flood, and other natural disasters', will be replaced with the words 'damage to housing premises as a result of an emergency';

2¹. Insurance indemnity commitments of insurers under home insurance contracts concluded in accordance with Article 111 of Federal Law No. 68-FZ, dated 21 December 1994, ‘On the Protection of People and Territories from Natural and Man-Made Emergencies’ are subject to transfer for obligatory reinsurance to the national reinsurance company:

1) for the risk of loss (destruction) of housing premises as a result of an emergency, in the amount of ninety-five (95) per cent of the insurer’s commitments under this risk;

2) for the risk of damage to housing premises as a result of an emergency, in the amount of sixty (60) per cent of the insurer’s commitments under this risk, unless other amount is provided for by a reinsurance contract, taking into account the amount of assumed commitments and the insurer’s deductible.

(Clause 2¹ introduced by Federal Law No. 320-FZ, dated 3 August 2018 – starting 4 August 2019)

3. The conditions for assuming the obligations specified in Clause 2 hereof shall be determined by the reinsurance contract concluded between the cedent (insurer) and the national reinsurance company subject to the regulation on insurance risk assessment and insurance risk management and the accounting policy of the national reinsurance company.

The conditions defined by a reinsurance contract for the assumption of the commitments provided for in Clause 21 hereof may not provide for an amount of reinsurance premium exceeding the amount of the part of the insurance premium under the principal insurance contract, intended for payment of an insurance indemnity under the commitments transferred for reinsurance.

(Paragraph introduced by Federal Law No. 320-FZ, dated 3 August 2018 – starting 4 August 2019)

4. The cedent (insurer) shall transfer, and the national reinsurance company shall assume the insurance indemnity commitments specified in Clause 2 hereof in the amount of ten (10) per cent of the reinsured obligations, unless otherwise established by the legislation of the Russian Federation in

respect of the principal contracts of insurance (reinsurance) of the property interests of the persons referred to in Sub-clause 2 of Clause 2 hereof. If the cedent (insurer) transfers these commitments to other reinsurers (including the organisations referred to in Clause 11 of Article 13 thereof), the conditions for assuming the commitments by the national reinsurance company shall correspond to the conditions of transfer of these commitments to other reinsurers. The national reinsurance company, when assuming insurance indemnity commitments, shall follow the decisions of the cedent (insurer) upon the occurrence of an insured event and in the case of payment of an insurance indemnity under the principal insurance (reinsurance) contract.

Article 13³. Transfer of Part of Insurance Indemnity Commitments to the National Reinsurance Company

(introduced by Federal Law No. 363-FZ, dated 3 July 2016)

1. The cedent (insurer) shall transfer insurance indemnity commitments under principal contracts of insurance (reinsurance) to the national reinsurance company, including those subject to the conditions of an obligatory reinsurance contract, in the amount of ten (10) per cent of the transferred insurance indemnity commitments, except for the commitments:

- 1) specified in Clause 2 of Article 13² and Clause 8 of Article 14¹ thereof;
- 2) established by federal laws on specific types of compulsory insurance and subject to reinsurance in the reinsurance pool stipulated by the federal law on a specific type of compulsory insurance;
- 3) under insurance contracts within international systems of third party liability insurance of vehicle owners of which the professional association of insurers, the creation of which is stipulated by Federal Law No. 40-FZ, dated 25 April 2002, 'On Compulsory Third Party Liability Insurance of Vehicle Owners', is a member.

2. In respect of the commitments referred to in Clause 1 hereof, the national reinsurance company shall be entitled to assume them in the amount specified in Clause 1 hereof, reduce their amount, or refuse to reinsure them, guided by the regulation on insurance risk assessment and insurance risk management and the accounting policy of the national reinsurance company.

3. The obligation of the cedent (insurer) established by Clause 1 hereof shall be considered fulfilled upon the receipt by the national reinsurance company of an offer to conclude a contract of reinsurance of insurance indemnity commitments under the principal insurance (reinsurance) contracts entered into by the cedent (insurer) in the amount of ten (10) per cent of the reinsured obligations on the conditions determined in accordance with this Article. The national reinsurance company shall send the cedent (insurer) a notice on the acceptance, acceptance on other conditions, or non-acceptance of this offer within the period specified in the offer.

4. If the national reinsurance company assumes no more than ten (10) per cent of the insurance indemnity commitments specified in Clause 1 hereof, the terms of assumption of such commitments shall correspond to the terms of assumption of the obligations by other reinsurers (including organisations referred to in Clause 11 of Article 13 thereof). The national reinsurance company, when assuming the above-mentioned obligations, shall follow the decisions of the cedent (insurer) in the case of the occurrence of an insured event and in the case of payment of an insurance indemnity under the principal contract of insurance (reinsurance).

Article 14. Associations of Insurance Entities, Insurance Agents, Policyholders, Insured Entities, and Beneficiaries

(as amended by Federal Law No. 146-FZ, dated 23 May 2016)

1. Insurance entities and insurance agents may form associations (unions) to coordinate their activities, represent and protect common interests, including

the interests of their members related to insurance activities, and achieve any other lawful and non-commercial purposes. Participation in these associations shall be voluntary or, in cases stipulated by law, mandatory.

2. In order to represent and protect common interests related to insurance, citizens, including those who are policyholders, insured entities, and beneficiaries, may form public organisations or associations (unions) in accordance with the Civil Code of the Russian Federation, Federal Law No. 82-FZ, dated 19 May 1995, 'On Public Associations', and Federal Law No. 7-FZ, dated 12 January 1996, 'On Non-commercial Organisations'.

Within the framework of interaction of the public organisations and associations (unions) established by citizens with associations of insurance entities, the charter of the association of insurance entities may permit the inclusion of representatives of the public organisations or associations (unions) established by citizens in collective bodies of the association of insurance entities, providing them with the right to participate in discussion and decision-making on matters of insurance activity.

3. Information on associations of insurance entities shall be entered in the register of associations of insurance entities. The insurance supervisory body shall establish the list of documents on the basis of which such information (changes in the information) shall be entered in the register of associations of insurance entities, the procedure for their submission by the association of insurance entities to the insurance supervisory body, and the procedure for maintaining the register of associations of insurance entities, including the timeframes for entering the information on associations of insurance entities (changes in the information).

4. The annual accounting (financial) statements of an association of insurance entities established in accordance with the legislation of the Russian Federation and one of whose purposes is making compensation payments shall be subject to statutory audit. The auditing firm and the terms of the contract that the association of insurance entities concludes with the auditing firm shall

be approved by the general meeting of members of the association of insurance entities. The annual report, the annual accounting (financial) statements of the association of insurance entities, and the auditor's report shall be published on the Internet annually within one (1) month after their approval by the general meeting of members of the association of insurance entities.

Article 14¹. Insurance (Reinsurance) Pools

(as amended by Federal Law No. 234-FZ, dated 23 July 2013)

1. An insurance (reinsurance) pool shall mean an association of insurers that jointly carry out insurance activity with regard to certain types of insurance or insurance risks on the basis of a simple partnership agreement (cooperation agreement).

2. Insurance pools shall be created to ensure the financial sustainability of their members and their fulfilment of insurance indemnity commitments whose amount may exceed the equity capital of an insurance company and act on the principles of coinsurance or reinsurance.

3. Reinsurance pools shall be created to increase the financial capacity of their members through reinsurance in the amount that exceeds their retention under the insurance contract. The insurance indemnity commitments that exceed the equity capital of the members of the insurance pool shall be ceded on behalf of the insurance pool.

4. Participants in the reinsurance pool may be insurers having a reinsurance licence, including foreign reinsurance companies. The number of participants in the insurance (reinsurance) pool is not limited.

5. Participants in the insurance (reinsurance) pool shall develop common principles and approaches to the terms of insurance (reinsurance) within the pool; exchange information on insurance (reinsurance) contracts, on insurance risk assessment, on determining losses or damage; and determine the

management bodies of the pool and (or) the insurer that is the leader of the pool, their powers, the procedure for participation in other insurance (reinsurance) pools, and the procedure for participants to quit the insurance (reinsurance) pool.

6. Information about the insurance pool shall be published on the pool's website or on the website of the insurer that is the leader of the pool.

7. Federal laws on specific types of compulsory insurance may establish the specifics of the creation and activity of insurance (reinsurance) pools.

8. The obligations of the cedent (insurer) specified in Clause 4 of Article 13² and Clause 1 of Article 13³ thereof may be performed by transferring the respective obligations to a reinsurance pool, including one established in accordance with this Article, of which the national reinsurance company is a participant.

(Clause 8 introduced by Federal Law No. 363-FZ, dated 3 July 2016)

9. The obligations of the cedent (insurer) specified in Clause 4 of Article 13² and Clause 1 of Article 13³ thereof shall apply to cases of the conclusion of reinsurance contracts on behalf of insurance (reinsurance) pools of which the cedent (insurer) is a participant.

(Clause 9 introduced by Federal Law No. 363-FZ, dated 3 July 2016)

Article 14². Self-regulatory organisations in the financial market

(introduced by Federal Law No. 292-FZ, dated 3 July 2016)

1. If there is a self-regulatory organisation in the financial market, then insurance companies, insurance brokers, and mutual insurance companies shall join the self-regulatory organisation in the financial market according to the procedure and within the timeframes stipulated by Federal Law No. 223-FZ, dated 13 July 2015, 'On Self-regulatory Organisations in the Financial Market' and Bank of Russia regulations adopted in pursuance thereof.

2. Relations arising in connection with the acquisition by non-commercial organisations of the status of self-regulatory organisations in the financial markets and the termination of such status, and with the exercise of rights and obligations by self-regulatory organisations in the financial market are governed by Federal Law No. 223-FZ, dated 13 July 2015, 'On Self-regulatory Organisations in the Financial Market' and Bank of Russia regulations adopted in pursuance thereof.

Chapter II. INSURANCE CONTRACT

Excluded. – Federal Law No. 157-FZ, dated 31 December 1997.

Chapter III. ENSURING THE FINANCIAL SUSTAINABILITY AND SOLVENCY OF INSURERS

(as amended by Federal Law No. 234-FZ, dated 23 July 2013)

Article 25. Conditions for ensuring the financial sustainability and solvency of the insurer

(as amended by Federal Laws No. 172-FZ, dated 10 December 2003; No. 234-FZ, dated 23 July 2013)

1. Guarantees of the financial sustainability and solvency of the insurer shall be economically reasonable insurance rates; insurance reserves; insurance reserve funds sufficient to fulfil insurance, coinsurance, reinsurance, and mutual insurance obligations; equity capital; and reinsurance.

(Paragraph as amended by Federal Laws No. 287-FZ, dated 29 November 2007; No. 234-FZ, dated 23 July 2013; No. 349-FZ, dated 28 November 2015)

Paragraph no longer valid. – Federal Law No. 234-FZ, dated 23 July 2013.

2. The equity capital of insurers (except mutual insurance companies) shall be determined in accordance with the methodology established by a regulation of the insurance supervisory body.

Insurers shall invest their equity capital on the terms of diversification, liquidity, recoverability, and profitability. The insurance supervisory body shall specify the list of assets allowed for investing, the requirements for such assets, and the procedure for investing the equity capital, including the requirements for the structure of assets allowed for placing the equity capital of the insurance company in full or in part.

Insurance companies shall not be entitled to extend loans at the cost of their equity capital except for cases stipulated by the insurance supervisory body.

Investment of equity capital shall be carried out by the insurers themselves or by transferring the funds to a management company for trust management in full or in part.

(Clause 2 as amended by Federal Law No. 87-FZ, dated 23 April 2018)

2¹. To determine the reliability of information on the equity capital of an insurance company, the insurance supervisory body shall evaluate its assets and liabilities.

The insurance supervisory body shall issue an order for the insurance company to specify the value obtained by the insurance supervisory body as a result of the assessment in its reporting documents.

Based on the order issued by the insurance supervisory body to specify the value obtained by the insurance supervisory body as a result of its assessment in the reporting documents, the insurance company shall specify in its accounting (financial) statements and other reporting documents the amount of equity capital, the value of assets and liabilities as determined by the insurance supervisory body as of the latest reporting date. Appealing such an order by the insurance company in court shall not suspend it.

When evaluating the assets and liabilities of the insurance company, the insurance supervisory body shall engage a responsible actuary at the cost of the insurance company and may engage an independent appraiser at the cost of the insurance supervisory body.

(Clause 2¹ introduced by Federal Law No. 87-FZ, dated 23 April 2018)

3. Insurers (except mutual insurance companies) shall have fully paid-up authorised capital in an amount no less than the minimum amount of the authorised capital established by this Law. When paying up its authorised capital, the insurer shall deposit funds in the amount no less than the minimum amount of the authorised capital of the insurer established by this Law and shall observe the procedure and conditions for investment of equity capital established by regulations of the insurance supervisory body.

(Paragraph as amended by Federal Laws No. 287-FZ, dated 29 November 2007; No. 146-FZ, dated 23 May 2016)

The minimum amount of the authorised capital of the insurer shall be determined according to the basic amount of its authorised capital, equal to 120 million rubles, and the following coefficients:

(Paragraph as amended by Federal Law No. 432-FZ, dated 30 December 2015)

In accordance with Federal Law No. 251-FZ, dated 29 July 2018, starting 31 July 2019, Paragraph 2 of Clause 3 of Article 25 will be amended to read as follows:

‘The minimum amount of the authorised capital of an insurance company (except for an insurance company engaged in compulsory medical insurance) shall be determined according to the basic amount of its authorised capital, equal to 300 million rubles, and the following coefficients:’

1 – for insurance of the objects provided for in Clauses 2–6 of Article 4 thereof;

(Paragraph as amended by Federal Law No. 234-FZ, dated 23 July 2013)

1 – for insurance of the objects provided for in Clauses 2 and 3 of Article 4 thereof;

(Paragraph as amended by Federal Law No. 234-FZ, dated 23 July 2013)

In accordance with Federal Law No. 251-FZ, dated 29 July 2018, starting 31 July 2019, Paragraph 4 of Clause 3 of Article 25 shall be deemed invalid.

2 – for insurance of the objects provided for in Clause 1 of Article 4 thereof;

(Paragraph as amended by Federal Law No. 234-FZ, dated 23 July 2013)

In accordance with Federal Law No. 251-FZ, dated 29 July 2018, starting 31 July 2019, in Paragraph 5 of Clause 3 of Article 25, the figure '2' will be replaced by the figures '1.5'.

2 – for insurance of the objects provided for in Clauses 1–3 of Article 4 thereof;

(Paragraph as amended by Federal Law No. 234-FZ, dated 23 July 2013)

In accordance with Federal Law No. 251-FZ, dated 29 July 2018, starting 31 July 2019, Paragraph 6 of Clause 3 of Article 25 shall be deemed invalid.

4 – for reinsurance and insurance combined with reinsurance.

In accordance with Federal Law No. 251-FZ, dated 29 July 2018, starting 31 July 2019, in Paragraph 7 of Clause 3 of Article 25, the figure '4' will be replaced by the figure '2'.

The minimum amount of the authorised capital of an insurance company engaged in compulsory medical insurance shall be equal to 120 million rubles.

(Paragraph introduced by Federal Law No. 251-FZ, dated 29 July 2018 – starting 31 July 2019)

A change in the minimum amount of the authorised capital of the insurer shall be only allowed by federal law not more than once every two (2) years, with mandatory establishment of a transition period.

Contribution of borrowed funds and pledged assets to the authorised capital shall not be permitted.

3¹. The insurance supervisory body shall establish the list of documents confirming compliance with the requirements for the authorised capital of the insurer established in this Law.

(Clause 3¹ introduced by Federal Law No. 65-FZ, dated 22 April 2010, as amended by Federal Law No. 362-FZ, dated 30 November 2011)

4. Insurers shall comply with the requirements for financial sustainability and solvency regarding the formation of insurance reserves, the procedure for and conditions of investment of equity capital and insurance reserve funds, the required ratio of equity capital and assumed liabilities, and other requirements established by this Law and regulations of the insurance supervisory body.

The parent insurance company of an insurance group shall also comply with the requirements specified in Paragraph 1 of this Clause on a consolidated basis.

(Clause 4 as amended by Federal Law No. 234-FZ, dated 23 July 2013)

4¹. The insurance supervisory body shall establish the minimum allowed regulatory capital to liabilities ratio (including the procedure to calculate the indicators used to establish such a ratio) and in case of its violation shall send the insurance company an order to eliminate such a violation.

(Clause 4¹ as amended by Federal Law No. 87-FZ, dated 23 April 2018)

4². Taking into account the minimum allowed regulatory capital to liabilities ratio, the insurance supervisory body shall set the threshold levels of the regulatory capital to liabilities ratio, in case of breaching which the insurance company shall be obliged to provide the insurance supervisory body with a financial rehabilitation plan in accordance with the requirements established by the insurance supervisory body.

(Clause 4² as amended by Federal Law No. 87-FZ, dated 23 April 2018)

4³. When calculating the required ratio of equity capital and assumed liabilities, the insurance company shall be entitled to take into account

subordinated loans received in the amount not exceeding one-fourth of the value of its equity capital.

For the purposes of this Law, a subordinated loan shall mean the borrowing of funds by an insurance company under a loan agreement containing the following terms:

the funds are granted to the insurance company for a period of no less than five (5) years, and the lender may not reclaim the funds prior to the expiration of the specified period;

the maximum amount of interest to be accrued on the loan amount shall not exceed the key rate of the Bank of Russia as of the date of the credit (loan) agreement multiplied by 1.2.

(Paragraph as amended by Federal Law No. 87-FZ, dated 23 April 2018)

When determining the required ratio of equity capital and assumed liabilities, the insurance company shall not be entitled to take into account subordinated loans received from other insurance companies. This provision shall not apply to insurance companies that are subsidiaries of the lending insurance company.

(Paragraph as amended by Federal Law No. 146-FZ, dated 23 May 2016)

The amounts of the subordinated loans granted by the insurance company to its subsidiaries shall be excluded when calculating the required ratio of equity capital and assumed liabilities of the insurance company that granted these subordinated loans.

(Paragraph as amended by Federal Law No. 146-FZ, dated 23 May 2016)

(Clause 4³ introduced by Federal Law No. 234-FZ, dated 23 July 2013)

5. No longer valid. – Federal Law No. 234-FZ, dated 23 July 2013.

6. If, as of the end of the reporting period, the amount of equity capital of the insurance company determined in accordance with Clause 2 of this Article falls below the paid-up authorised capital, the insurance company shall bring the authorised capital and the equity capital in line in accordance with the procedure established by the insurance supervisory body.

(Clause 6 introduced by Federal Law No. 87-FZ, dated 23 April 2018)

Article 26. Insurance Reserves

(as amended by Federal Law No. 234-FZ, dated 23 July 2013)

1. To ensure the fulfilment of insurance, coinsurance, reinsurance, and mutual insurance obligations, insurers shall, on the basis of actuarial calculations, determine the amount of insurance reserves (form insurance reserves) expressed in monetary terms and secure them with assets (insurance reserve funds). The insurance reserve funds shall be sufficient to fulfil the insurers' obligations for payment of forthcoming insurance indemnities under insurance, coinsurance, reinsurance, and mutual insurance contracts and to perform other actions in respect of such obligations.

(Clause 1 as amended by Federal Law No. 349-FZ, dated 28 November 2015)

2. Insurance reserves shall be formed by insurers in accordance with the rules of insurance reserve formation which are approved by the insurance supervisory body and establish:

(Paragraph as amended by Federal Law No. 349-FZ, dated 28 November 2015)

- 1) types of insurance reserves and the obligatoriness and conditions of their formation;
- 2) methods of calculation of insurance reserves or approaches determining them;
- 3) requirements for the regulation of insurance reserve formation;
- 4) requirements for the documents containing data necessary for the calculation of insurance reserves and the period of retention of such documents;
- 5) methodology for calculating the reinsurers' share in insurance reserves;
- 6) the procedure for obtaining approval from the insurance supervisory body for methods of calculating insurance reserves which differ from the methods stipulated by the rules of insurance reserve formation (including the terms and conditions of such approval and the grounds for refusal of such approval).

2¹. To determine the amount of insurance reserves formed by the insurer, the insurance supervisory body shall conduct their evaluation.

The insurance supervisory body shall issue an order for the insurer to specify the value obtained by the insurance supervisory body as a result of the assessment in its reporting documents.

Based on the order issued by the insurance supervisory body to specify the value obtained by the insurance supervisory body as a result of its assessment in the reporting documents, the insurer shall specify in its accounting (financial) statements and other reporting documents the amount of insurance reserves as determined by the insurance supervisory body as of the latest reporting date. Appealing such an order by the insurer in court shall not suspend it.

When evaluating the insurance reserves, the insurance supervisory body shall engage a responsible actuary at the cost of the insurer.

(Clause 2¹ introduced by Federal Law No. 87-FZ, dated 23 April 2018)

3. The insurance reserve funds shall be used exclusively for the fulfilment of the obligations referred to in Clause 1 hereof.

(Clause 3 as amended by Federal Law No. 349-FZ, dated 28 November 2015)

4. The insurance reserve funds shall not be subject to withdrawal to the budgets of the budget system of the Russian Federation.

(Clause 4 as amended by Federal Law No. 349-FZ, dated 28 November 2015)

5. Insurers shall invest their insurance reserves on the terms of diversification, liquidity, recoverability, and profitability.

Insurers shall not be entitled to grant loans at the cost of insurance reserves except for cases stipulated in Clause 7 of this Article and regulations of the insurance supervisory body.

The insurance supervisory body shall specify the list of assets allowed for investing, the requirements for such assets, and the procedure for investing the insurance reserves, including the requirements for the structure of assets allowed for placing the insurance reserves of insurers in full or in part.

(Clause 5 as amended by Federal Law No. 87-FZ, dated 23 April 2018)

6. Investment of insurance reserves shall be carried out by the insurers themselves or by transferring the funds to a management company for trust management in full or in part.

(Clause 6 as amended by Federal Law No. 87-FZ, dated 23 April 2018)

7. In the case of personal objects insurance provided for by Clause 1 of Article 4 thereof, an insurer shall be entitled to grant a loan to an individual policyholder within the limits of the insurance reserve formed under an insurance contract concluded for a period of no less than five (5) years.

The procedure and conditions for granting the said loan shall be established by the contract concluded between the insurer and the policyholder.

Article 26¹. Transfer of an Insurance Portfolio

(introduced by Federal Law No. 234-FZ, dated 23 July 2013)

1. An insurer (except for mutual insurance companies) may transfer and, in cases stipulated by the legislation of the Russian Federation, must transfer the liabilities under insurance contracts (the insurance portfolio) to one or several insurers (except for mutual insurance companies) that meet the requirements for financial sustainability and solvency, taking into account newly assumed obligations, and have licences for the types of insurance in respect of which the insurance portfolio is transferred (substitution of the insurer).

In cases stipulated by the legislation of the Russian Federation, the transfer of the insurance portfolio shall be subject to approval by the insurance supervisory body in accordance with the established procedure.

2. A transferred insurance portfolio shall include:

1) liabilities under insurance contracts corresponding to the formed insurance reserves;

2) assets accepted to cover the formed insurance reserves.

3. Grounds for an insurer to transfer an insurance portfolio shall be, inter alia, as follows:

(Paragraph as amended by Federal Law No. 251-FZ, dated 29 July 2018)

1) *No longer valid. – Federal Law No. 222-FZ, dated 23 June 2016;*

2) violation by the insurer of the established requirements for financial sustainability and solvency which led to the deterioration of its financial position, if the transfer of the insurance portfolio is provided for by the financial rehabilitation plan of the insurer;

3) adoption by the insurer of a decision on restructuring or liquidation;

4) adoption by the insurer of a decision on voluntary withdrawal from the insurance business or certain types of insurance;

5) exclusion of the insurer from the association of insurers in the cases stipulated by federal laws on specific types of compulsory insurance;

6) *invalid since 1 January 2019. — Federal Law No. 251-FZ, dated 29 July 2018.*

4. An insurer transferring an insurance portfolio shall transfer the insurance portfolio formed as of the date of adoption of the decision to transfer the insurance portfolio, the composition of which is specified in Clause 2 hereof, including liabilities under insurance contracts which are effective as of the date of adoption of the decision on the transfer of the insurance portfolio and under insurance contracts which have expired as of the date of adoption of the decision to transfer the insurance portfolio, but the liabilities under which have not been honoured in full by the insurer, along with the rights of claim to pay insurance premiums under such insurance contracts to the insurer accepting the insurance portfolio. Liabilities under one insurance contract may be transferred only to one insurer.

5. The value of the assets transferred as part of the insurance portfolio may be equal to the insurance reserves, more than the insurance reserves (transfer of the insurance portfolio at a premium), or less than the insurance reserves (transfer of the insurance portfolio at a discount).

The transfer of the insurance portfolio at a premium shall not be allowed, if the amount of the premium (the amount by which the transferred asset value exceeds the formed insurance reserves) exceeds the difference between the equity capital and the authorised capital of the insurer transferring the insurance portfolio.

(Paragraph as amended by Federal Law No. 87-FZ, dated 23 April 2018)

The transfer of the insurance portfolio at a discount shall not be allowed, if the value of the assets transferred as part of the insurance portfolio is less than half of the transferred insurance reserves (except for cases of the insolvency (bankruptcy) of the insurer transferring the insurance portfolio and other cases provided for by federal laws).

In the case of insufficiency of assets transferred as part of the insurance portfolio, the deficient part of the assets may be compensated by an association of insurers on the terms stipulated by federal laws.

The value of the assets transferred as part of the insurance portfolio shall be determined on the basis of their balance-sheet value or the market value established by an independent appraiser.

6. The transfer of the insurance portfolio shall be carried out under a contract for the transfer of the insurance portfolio concluded between the insurer transferring the insurance portfolio and the insurer accepting the insurance portfolio and under an act of acceptance of the insurance portfolio. The requirements for the content of the aforementioned contract and act of acceptance shall be established by the insurance supervisory body.

7. The insurer transferring the insurance portfolio shall publish a notice of intention to transfer the insurance portfolio on its website, in a print publication determined by the insurance supervisory body, and in two (2) periodicals whose circulation is no less than ten thousand (10,000) copies each and which are distributed in the territory of the insurer's activity. The notice of intention to transfer the insurance portfolio shall also be sent to the insurance supervisory body for publication on its official website.

8. The notice of intention to transfer the insurance portfolio should contain:

- 1) the reasons and procedure for transfer of the insurance portfolio;
- 2) the name (company name) and location of the insurer accepting the insurance portfolio;
- 3) information on the activities and financial position of the insurer accepting the insurance portfolio provided by the insurer accepting the insurance portfolio;
- 4) a request for written consent to the substitution of the insurer or rejection of this substitution, indicating the deadline for provision of such consent or rejection;
- 5) clarification of the right to reject the substitution of the insurer and the consequences of such rejection.

9. The rejection of the substitution of the insurer shall result in early termination of the insurance contract and the return of a part of the insurance premium to the policyholder proportional to the difference between the initial period of duration of the insurance contract and the actual period of its duration or the payment of the cash surrender value under a life insurance contract.

If within forty-five (45) days from the date when the insurer transferring the insurance portfolio published the notice of intention to transfer the insurance portfolio the insurer has not received a written rejection of the substitution of the insurer from the policyholder, the insurance contract shall be transferred as part of the insurance portfolio.

10. The insurer transferring the insurance portfolio shall:

- 1) make a list of the insurance contracts under which liabilities are to be transferred to another insurer;
- 2) assist in the verification of the compliance of the insurance contracts under which liabilities are to be transferred to another insurer or other insurers with the legislation of the Russian Federation;

3) determine the amount of the insurance reserves under insurance contracts under which liabilities are to be transferred to the insurer accepting the insurance portfolio or, in the case of the transfer of the insurance portfolio to several insurers, the amount of the insurance reserves for each of the insurers accepting the insurance portfolio;

4) define the types and value of assets transferred as part of the insurance portfolio;

5) settle relations with policyholders, insured entities, and beneficiaries regarding claimed insured events, requests for termination of insurance contracts, and rejections of substitution of the insurer received before the date of transfer of the insurance portfolio agreed upon by the parties to the contract for the transfer of the insurance portfolio;

6) notify reinsurers of the forthcoming transfer of the insurance portfolio;

7) take other actions arising from the contract for the transfer of the insurance portfolio.

11. The insurer accepting the insurance portfolio shall:

1) organise the verification of the compliance of the insurance contracts under which it is accepting liabilities under the contract for the transfer of the insurance portfolio with the legislation of the Russian Federation;

2) provide information about its activities and financial position to the insurer transferring the insurance portfolio;

3) inform reinsurers about the substitution of the reinsurance policyholder in reinsurance contracts entered into by the insurer transferring the insurance portfolio and about its assumption of the responsibility to execute the insurance contracts included in the transferred insurance portfolio;

4) take other actions arising from the contract for the transfer of the insurance portfolio.

12. If the insurance rules of the insurer accepting the insurance portfolio do not correspond to the insurance rules of the insurer transferring the

insurance portfolio, the insurer that accepted the insurance portfolio shall perform liabilities under the insurance contracts included in the transferred insurance portfolio according to the conditions on which they were concluded and shall notify the insurance supervisory body thereof.

The insurer that accepted the insurance portfolio shall be entitled to negotiate the conditions of insurance contracts with the policyholders for their benefit and for the benefit of beneficiaries and insured entities and amend the insurance contracts in accordance with the legislation of the Russian Federation.

After signing the act of acceptance of the insurance portfolio, the insurer that accepted the insurance portfolio shall not be entitled to challenge the composition of the insurance portfolio, the assumed liabilities or the value of the accepted assets.

13. After signing the act of acceptance of the insurance portfolio, a notice of the completed transfer of the insurance portfolio with information about the insurer that accepted the insurance portfolio and the date when such insurer will start to perform liabilities under the insurance contracts included in the transferred insurance portfolio shall be:

1) published within three (3) business days on the website of the insurer that transferred the insurance portfolio and on the website of the insurer that accepted the insurance portfolio;

2) published by the insurer that accepted the insurance portfolio within fifteen (15) business days in a print publication determined by the insurance supervisory body and two (2) periodicals whose circulation is no less than ten thousand (10,000) copies each and which are distributed in the territory of the specified insurer's activities.

14. From the date of signing of the act of acceptance of the insurance portfolio, the insurer accepting the insurance portfolio shall acquire all rights and obligations under the insurance contracts.

15. Within three (3) months from the date of signing of the act of acceptance of the insurance portfolio, the insurer that accepted the insurance portfolio shall adjust the composition and structure of assets in which equity capital and insurance reserve funds are placed in accordance with the requirements established by this Law and by the regulations of the insurance supervisory body.

16. The procedure specified in this Article for the transfer of an insurance portfolio shall also be applied in cases of the transfer of a reinsurance portfolio.

Article 26². Accounting and Safekeeping of Securities Accepted to Cover the Insurance Reserves and Equity Capital of the Insurer. Monitoring of the Insurer's Assets

(introduced by Federal Law No. 234-FZ, dated 23 July 2013)

1. Securities accepted to cover the insurance reserves and equity capital of the insurer that performs the types of insurance specified in Sub-clauses 2, 3, and 24 of Clause 1 of Article 32⁹ thereof shall be accounted for and (or) stored in a specialised depository.

2. The specialised depository of the insurer may be a legal entity with a licence for depository activity and a licence for activity as a specialised depository of investment funds, unit investment funds, and non-governmental pension funds.

The specialised depository shall carry out separate accounting of securities accepted to cover the insurer's insurance reserves and equity capital by opening and maintaining separate depo accounts.

3. The specialised depository shall perform the storage and accounting of securities in which the insurance reserve funds and equity capital of the insurer are placed and daily monitoring of the insurers' observance of restrictions on the placement of the insurance reserve funds and equity capital, requirements

for the composition and structure of assets accepted to cover the insurance reserve funds and equity capital of the insurer, and rules for the placement of the insurance reserve funds and equity capital of the insurer established by federal laws, other legal acts, and regulations of the insurance supervisory body under a contract for the services of a specialised depository concluded with the insurer and the management company (if the latter has been engaged by the insurer to place the insurance reserve funds and (or) equity capital of the insurer) in accordance with the requirements and procedure established by the insurance supervisory body. The specialised depository shall perform such monitoring in accordance with the approved procedure, which shall include the rules for the implementation of monitoring of the composition and structure of assets accepted to cover the insurance reserves and equity capital of the insurer, forms of applicable documents, and the procedure for document flow for the implementation of such monitoring.

(Paragraph as amended by Federal Law No. 210-FZ, dated 29 June 2015)

The services of the specialised depository may be provided to the insurer at any moment in time only by one legal entity holding the respective licences.

The specialised depository shall be liable to the insurer for the improper performance of its duties in accordance with the laws of the Russian Federation.

In the case of damage to insured entities as a result of non-performance of the obligation to monitor the observance by the insurer and (or) by the insurer's management company of the requirements for the composition and structure of assets accepted to cover the insurance reserves and equity capital, the specialised depository shall bear joint liability with the insurer and (or) the insurer's management company.

4. Information on the conclusion of a contract for the services of a specialised depository, on termination of this contract, and amendments made thereto shall be provided by the insurer to the insurance supervisory body

within three (3) business days from the date of conclusion of such contract, its termination, or amendments made thereto.

5. A contract for the services of a specialised depository shall be terminated:

1) by agreement of the parties as of the date provided for by such contract;

2) in the case of revocation of the insurer's licence, after six (6) months from the date of revocation;

3) in the case of cancellation of the specialised depository's licence, from the date of entry into force of the decision on the cancellation of the licence;

4) in the case of liquidation of the specialised depository, from the date of adoption of the decision on the liquidation of the specialised depository;

5) in the case of withdrawal of any of the parties from the contract, from the date provided for by such contract;

6) upon expiration of the contract.

6. Information on the termination of a contract for the services of a specialised depository shall be immediately submitted by the insurer to the insurance supervisory body, indicating the reasons for the contract termination.

In the case of termination of a contract for the services of a specialised depository, the latter shall transfer the securities accepted to cover the insurance reserves and equity capital of the insurer, the documents confirming the property rights of the insurer, information on other assets of the insurer accepted to cover the insurance reserves and equity capital of the insurer to another specialised depository specified by the insurer, as well as a list of violations identified by the specialised depository which were not eliminated by the insurer and (or) the insurer's management company.

The insurer shall ensure that the specialised depository continuously monitors the conformity of the assets accepted to cover the insurance reserves and equity capital of the insurer to the requirements for the composition and structure of these assets.

If any of the parties withdraws from a contract for the services of a specialised depository, it shall notify the other party at least three (3) months prior to the termination of this contract, unless a different period is provided for by federal laws.

7. In connection with its activities in accordance with this Law, the specialised depository shall be entitled to obtain relevant and accurate information from the insurer and its management companies about the assets accepted to cover the insurance reserves and equity capital of the insurer.

8. The specialised depository shall:

1) conduct daily monitoring of the conformity of the composition and structure of assets accepted to cover the insurance reserves and equity capital of the insurer to the requirements of this Law, other legal acts, and regulations of the insurance supervisory body;

2) account for and store the insurer's securities, store the documents confirming the insurer's right to property accepted to cover the insurance reserves and equity capital of the insurer (unless otherwise provided for by legal acts and regulations of the insurance supervisory body with regard to certain types of property), and store the information about other assets accepted to cover the insurance reserves and equity capital of the insurer in accordance with the procedure established by the insurance supervisory body;

3) control the valuation of assets accepted to cover the insurance reserves and equity capital of the insurer, the list of which shall be established by the insurance supervisory body;

4) *No longer valid. – Federal Law No. 210-FZ, dated 29 June 2015;*

5) notify the insurance supervisory body, the insurer, and the management companies involved by the insurer for the placement of the insurance reserve funds and equity capital of the insurer about detected violations of the requirements of this Law, other legal acts, and regulations of the insurance supervisory body within three (3) business days following the day of their detection;

6) submit reports in the forms, according to the procedure, and within the timeframes established by the insurance supervisory body:

to the insurer;

to the insurance supervisory body or to the self-regulatory organisation in the financial market, if the Bank of Russia transfers the powers to receive reports to such organisation, in accordance with Federal Law No. 223-FZ, dated 13 July 2015, 'On Self-regulatory Organisations in the Financial Market';

(Sub-clause 6 as amended by Federal Law No. 292-FZ, dated 3 July 2016)

7) ensure the transfer of rights and obligations in respect of assets accepted to cover the insurance reserves and equity capital of the insurer to another specialised depository in the case of termination or early termination of the contract for the services of a specialised depository according to the procedure and within the timeframes established by such contract;

8) not combine its activities as a specialised depository with other types of licensed activities, with the exception of depository activities and activities of credit institutions in accordance with the requirements of Clause 9 hereof;

9) take measures to prevent the conflict of interest in its activity in case of its affiliation with the insurer to which it provides services;

10) not have among its shareholders (participants) organisations that are incorporated in states or territories where disclosure of information on financial transactions is not prescribed;

11) submit to the audit commission of the insurer the documents required for its activities;

12) disclose information on the structure and composition of its shareholders (participants) according to the procedure and within the timeframes established by the insurance supervisory body;

13) use electronic documents signed with an electronic signature when interacting with the insurer, the management companies, and the insurance supervisory body;

14) comply with other requirements stipulated by this Law, other legal acts, and regulations of the insurance supervisory body.

8¹. The Government of the Russian Federation shall be entitled to determine the cases, where specialised depositories are entitled not to disclose (partially and (or) in full) information about their shareholders (participants) subject to disclosure in compliance with the requirements of this Article as well as shareholders (participants) regarding to whom specialised depositories are entitled not to disclose (partially and (or) in full) the said information.

(Clause 8¹ introduced by Federal Law No. 482-FZ, dated 31 December 2017)

9. The specialised depository shall not be entitled to perform the functions of a settlement depository in the securities market.

If it is a credit institution, the specialised depository shall comply with the requirements for combining the activities of a credit institution with the activities of a specialised depository established by the insurance supervisory body.

Article 27. *No longer valid. – Federal Law No. 172-FZ, dated 10 December 2003.*

Article 28. Accounting and reporting

(as amended by Federal Law No. 362-FZ, dated 30 November 2011)

1. The insurers shall keep accounts and compile accounting (financial) statements, statistical reports, and other reports required for monitoring and supervision in the sphere of insurance activity (hereinafter, reports for supervisory purposes).

2. The reports for supervisory purposes shall contain the following information:

1) the required ratio of the equity capital of the insurer and the assumed liabilities;

2) the structure and amount of the formed insurance reserves and the results of their changes;

3) the composition and structure of assets in which the insurer's equity capital is placed;

4) the composition and structure of assets in which the insurer's insurance reserve funds are placed;

5) reinsurance operations along with information about cedents and reinsurers;

6) the structure of the insurer's financial result by separate type of insurance;

7) the composition of the shareholders (participants) and their shares in the authorised capital of the insurer;

8) other information established by regulations of the insurance supervisory body.

(Sub-clause 8 as amended by Federal Law No. 251-FZ, dated 29 July 2018)

3. Requirements for the accounting of insurance, coinsurance, reinsurance, and mutual insurance transactions (including the specifics of using the chart of accounts) as well as the specifics of the compilation of data disclosed in the accounting (financial) statements of the insurers, including sample forms of the accounting (financial) statements, shall be established by federal and (or) sectoral standards approved in accordance with the procedure stipulated by Federal Law No. 402-FZ, dated 6 December 2011, 'On Accounting'.

(Clause 3 as amended by Federal Law No. 234-FZ, dated 23 July 2013)

4. Insurers shall compile statistical reports and reports for supervisory purposes in the forms and according to the procedure established by the insurance supervisory body and submit these reports to the insurance supervisory body or self-regulatory organisation in the financial market, if the Bank of Russia transfers to such organisation the powers to receive reports in accordance with Federal Law No. 223-FZ, dated 13 July 2015, 'On Self-regulatory Organisations in the Financial Market'.

(Paragraph as amended by Federal Laws No. 234-FZ, dated 23 July 2013 and No. 292-FZ, dated 3 July 2016)

Insurers shall compile accounting (financial) statements in accordance with the legislation of the Russian Federation on accounting and federal and (or) sectoral standards and submit these statements to the insurance supervisory body or self-regulatory organisation in the financial market, if the Bank of Russia transfers to such organisation the powers to receive reports in accordance with Federal Law No. 223-FZ, dated 13 July 2015, 'On Self-regulatory Organisations in the Financial Market' in the forms, according to the procedure, and within the timeframes established by the insurance supervisory body.

(Paragraph as amended by Federal Law No. 292-FZ, dated 3 July 2016)

Insurance brokers shall compile statistical reports in the forms, according to the procedure, and within the timeframes established by the insurance supervisory body and submit these reports to the insurance supervisory body or self-regulatory organisation in the financial market, if the Bank of Russia transfers to such organisation the powers to receive reports in accordance with Federal Law No. 223-FZ, dated 13 July 2015, 'On Self-regulatory Organisations in the Financial Market'.

(Paragraph as amended by Federal Law No. 292-FZ, dated 3 July 2016)

The conditions and formats for submission of reports as electronic documents by insurers and insurance brokers and the control ratios of their parameters shall be established and brought to the notice of the insurers and insurance brokers by the insurance supervisory body by posting this information on its official website no later than the last day of the relevant reporting period.

4¹. The parent insurance company of an insurance group shall submit reports to the insurance supervisory body for supervisory purposes on a consolidated basis in the forms, according to the procedure, and within the timeframes established by the insurance supervisory body.

(Clause 4¹ introduced by Federal Law No. 234-FZ, dated 23 July 2013)

5. The insurance supervisory body shall publish on its official website the consolidated information on the activity of insurance entities as well as information contained in the reports of insurance entities.

(Clause 5 as amended by Federal Law No. 234-FZ, dated 23 July 2013)

6. Operations for the insurance of personal insurance objects specified by Clause 1 of Article 4 thereof (life insurance operations) and operations for the insurance of other insurance objects (insurance operations other than life insurance) shall be accounted for separately.

(Clause 6 as amended by Federal Law No. 234-FZ, dated 23 July 2013)

7. The Government of the Russian Federation shall be entitled to determine the cases, where insurers are entitled not to disclose (partially or in full) information subject to disclosure in compliance with the requirements of this Federal Law as well as persons regarding to whom insurers are entitled not to disclose (partially or in full) the said information.

(Clause 7 introduced by Federal Law No. 482-FZ, dated 31 December 2017)

Article 28¹. Internal Controls

(introduced by Federal Law No. 234-FZ, dated 23 July 2013)

1. The insurer shall organise an internal control system to ensure the achievement of the following objectives:

1) the effectiveness and productivity (including profitability) of the financial and economic activities of the insurer when performing insurance and other operations;

2) the effectiveness of the management of assets, including their safekeeping, equity capital, insurance reserves, and other liabilities of the insurer;

3) the effectiveness of insurance risk management (risk identification and assessment; determination of the acceptable level of risk to be assumed by the

insurer; taking measures to maintain a risk level that does not threaten the financial sustainability and solvency of the insurer);

4) the credibility, completeness, and objectivity of accounting (financial) statements, statistical reports, and reports for supervisory purposes, as well as the timely compilation and submission of such reports;

5) the observance of ethical norms and principles of professionalism and competence by the insurer's employees;

6) countering the legalisation (laundering) of criminally obtained incomes and the financing of terrorism in accordance with the legislation of the Russian Federation.

2. Internal controls, in accordance with the powers defined by the Charter and internal organisational and administrative documents of the insurer, shall be carried out by:

(Paragraph as amended by Federal Law No. 146-FZ, dated 23 May 2016)

1) the management bodies of the insurer;

2) the audit commission (auditor) of the insurer;

3) the chief accountant of the insurer (his/her deputies);

4) the internal auditor (internal audit) of the insurer;

5) a special officer responsible for the implementation of internal control rules for the purpose of countering the legalisation (laundering) of criminally obtained incomes and the financing of terrorism, structural unit responsible for the observance of internal control rules and the implementation of internal control programmes developed in accordance with the legislation of the Russian Federation on countering the legalisation (laundering) of criminally obtained incomes and the financing of terrorism;

(Sub-clause 5 as amended by Federal Law No. 281-FZ, dated 29 July 2017)

6) an actuary;

7) other employees and structural units of the insurer in accordance with the powers defined by internal organisational and administrative documents of the insurer.

Article 28². Internal Audit

(introduced by Federal Law No. 234-FZ, dated 23 July 2013)

1. In order to ensure the reliability of internal controls, assess its effectiveness, and check compliance of the insurer's activities with the legislation of the Russian Federation (including insurance laws), the rules and standards of associations of insurers, and the provisions of its internal organisational and administrative documents, the insurer shall organise internal audit, for which purpose it shall appoint an official (hereinafter, the internal auditor) or establish a structural unit (hereinafter, the internal audit).

2. In order to organise internal audit, the insurer shall approve a regulation on the organisation and implementation of internal audit (hereinafter, the regulation on internal audit), which shall contain:

- 1) the goals and objectives of internal audit;
- 2) the objects of internal audit in accordance with risk management models of the insurer;
- 3) forms and methods of internal audit;
- 4) the procedure to be followed by the internal auditor/internal audit, if violations and defects in the insurer's activities are revealed;
- 5) the composition of audit reports, forms, and the procedure for their submission;
- 6) the procedure for monitoring (including re-audits) the elimination of violations and defects in the insurer's activities revealed by the internal auditor/internal audit;
- 7) the procedure for notifying shareholders (participants) of the insurance company, members of the mutual insurance company of all violations of the insurer's management bodies, if they make decisions on issues referred to the competence of the general meeting of shareholders (participants) of the insurance company, or the general meeting of members of the mutual insurance company;

- 8) the powers, rights, and duties of the internal auditor/internal audit;
- 9) the form and procedure for risk assessment and evaluation of the effectiveness of risk management;
- 10) the procedure for evaluation of the expediency and effectiveness of operations and transactions performed;
- 11) the form and procedure for verification of asset safekeeping;
- 12) the form and procedure for conducting an analysis of the insurer's financial position;
- 13) other provisions not contradicting the legislation of the Russian Federation.

3. The regulation on internal audit shall be approved by the board of directors (supervisory board) of the insurance company or, in its absence, by the general meeting of shareholders (participants) of the insurance company or the general meeting of members of the mutual insurance company.

4. The internal auditor/head of internal audit shall be appointed and dismissed by decision of the board of directors (supervisory board) of the insurance company or the board of the mutual insurance company and shall be subordinate and accountable to the board of directors (supervisory board) of the insurance company or the general meeting of members of the mutual insurance company or, in the absence of the board of directors (supervisory board) of the insurance company, shall be appointed and dismissed by decision of the general meeting of shareholders (participants) of the insurance company and shall be subordinate and accountable to the general meeting of shareholders (participants) of the insurance company.

5. A person appointed as the internal auditor/head of internal audit shall not be allowed to concurrently hold another office.

The internal auditor/head of internal audit may be included in the audit commission of the insurer.

An internal auditor/head of internal audit that previously held positions in other structural units of the insurer may participate in the audit of these units upon the expiration of twelve (12) months from the last day of work in these units.

6. The internal auditor/internal audit shall perform the following duties:

1) check and ensure the effectiveness of the internal control system of the insurer;

2) check the compliance of the insurer's activity with the legislation of the Russian Federation, rules and standards of associations of insurers, the charter, and internal organisational and administrative documents of the insurer;

(Sub-clause 2 as amended by Federal Law No. 146-FZ, dated 23 May 2016)

3) check the observance by the insurer of internal control rules and implementation of internal control programmes developed in accordance with the legislation of the Russian Federation on countering the legalisation (laundering) of criminally obtained incomes and the financing of terrorism;

4) check the credibility, completeness, and objectivity of reports or other requested information and their timely submission by the insurer's structural units (including separate divisions) to the insurer's management bodies and shareholders (participants);

5) analyse the reasons for violations and defects in the insurer's activity revealed during audits;

6) provide recommendations for the prevention of violations and defects in the insurer's activity similar to those revealed during audits;

7) assess risks and the effectiveness of risk management;

8) evaluate the expediency and effectiveness of operations and transactions performed;

9) verify the safekeeping of assets;

10) take part in analysing the financial position of the insurer and developing a list of measures for the prevention of bankruptcy;

11) coordinate reports, including interim reports, on the implementation of each action provided for by the plan of financial rehabilitation of the insurer;

12) verify the credibility, completeness, and objectivity of statements and information, including the plan of financial rehabilitation of the insurer, and reports, including interim reports, on the implementation of each action provided for by the plan of financial rehabilitation of the insurer submitted to the insurance supervisory body, the self-regulatory organisation in the financial market, and federal executive bodies and monitor their timely submission.

(Sub-clause 12 as amended by Federal Law No. 292-FZ, dated 3 July 2016)

7. The internal auditor/internal audit shall be entitled to:

1) carry out audits of all activities of the insurer, including the activities of branches, representative offices, other separate divisions, and any structural unit and (or) employee of the insurer;

2) obtain documents, materials, and information necessary for the exercise of their powers from the heads and employees of structural units of the insurer;

3) have access to all documents, materials, and information, including computer files, without the right to change them.

8. The internal auditor/internal audit shall:

1) ensure the safety and return of the documents, materials, and information received from structural units of the insurer;

2) respect the confidentiality of information obtained in the exercise of their powers;

3) report all violations and defects in the insurer's activities revealed during audits to the sole executive body of the insurer, the collegiate executive body of the insurer, and the head of the structural unit of the insurer in which such violations and defects were revealed;

4) monitor the taking of measures to eliminate violations and defects and the observance of measures recommended by the internal auditor/internal audit to prevent similar violations and defects in the insurer's activities.

9. According to the results of audits the internal auditor/internal audit shall compile quarterly reports that are submitted to the management bodies of the insurer and annual reports which are presented at the annual general meeting of shareholders (participants) of the insurance company, members of the mutual insurance company. These reports shall contain information on detected violations and defects in the insurer's activities and their consequences as well as information on progress in eliminating previously identified violations and defects.

If during audits it was revealed that the insurer's management bodies committed violations by making decisions on matters referred to the competence of the general meeting of shareholders (participants) of the insurance company, the internal auditor/head of internal audit shall notify the shareholders (participants) of the insurance company that hold more than one (1) per cent of shares (stakes in the authorised capital of the insurance company) in writing within fifteen (15) days from the date of detection of such violations.

10. At the request of the insurance supervisory body, the insurer shall submit the reports of the internal auditor/internal audit within the timeframes prescribed by this request.

Article 29. Statutory Audit and Publication of the Annual Accounting (Financial) Statements of the Insurer

(as amended by Federal Law No. 234-FZ, dated 23 July 2013)

1. The annual accounting (financial) statements of the insurer shall be subject to statutory audit.

2. The auditor's report on the annual accounting (financial) statements of the insurer shall include a section on the observance by the insurer of the requirements for financial sustainability and solvency established by this Law

and regulations of the insurance supervisory body and on the effectiveness of the internal control system of the insurer.

(Clause 2 as amended by Federal Law No. 344-FZ, dated 4 November 2014)

3. The insurer shall submit the auditor's report referred to in Clause 2 hereof to the insurance supervisory body along with the annual accounting (financial) statements.

4. The annual accounting (financial) statements of the insurer shall be subject to mandatory publication no later than 1 July of the year following the reporting year along with the auditor's report referred to in Clause 2 hereof.

5. The annual accounting (financial) statements of the insurer shall be considered published if they are posted on the official website of the insurer or published in the mass media accessible to persons interested in these statements.

6. The insurer shall notify the insurance supervisory body about the publication of its annual accounting (financial) statements according to the procedure established by such body.

7. The auditor's report on the annual accounting (financial) statements of the insurer, on the observance by the insurer of the requirements for financial sustainability and solvency, and on the effectiveness of the internal control system of the insurer shall be published together with these statements.

(Clause 7 as amended by Federal Law No. 344-FZ, dated 4 November 2014)

Article 29¹. Ensuring Storage of Information on the Insurer's Activities

(introduced by Federal Law No. 222-FZ, dated 23 June 2016)

1. In order to store information on insurance reserves, insurance reserve funds, equity capital and their movement, the insurer shall enter information on all operations and other transactions into the databases of information systems (hereinafter, the databases) whose maintenance is provided for by this Article, on electronic media that enable the storage of the information contained therein for no less than five (5) years from the date of its entry into the databases and

shall provide access to such information to the insurance supervisory body. The requirements for the creation and maintenance of the databases, storage of information, and granting of access to such information to the insurance supervisory body shall be established by the insurance supervisory body. The information included in the databases whose maintenance is provided for by this Article shall also be subject to backup copying for the purposes of ensuring proper storage thereof.

2. When deciding on the limitation, suspension, or revocation of a licence for insurance activities or the appointment of a provisional administration, the insurance supervisory body shall send a request to the insurer to transfer backup copies of the databases whose maintenance is stipulated by this Article for storage at the insurance supervisory body.

3. Within three (3) calendar days after the end of each reporting half-year and each reporting year, the insurer shall transfer backup copies of the databases whose maintenance is stipulated by this Article to the insurance supervisory body for storage.

4. If the insurer fails to take measures to ensure the storage of the information contained in the databases whose maintenance is stipulated by this Article, including the creation of backup copies, the insurer shall be liable in accordance with the legislation of the Russian Federation.

Chapter IV. SUPERVISION OF THE ACTIVITY OF INSURANCE ENTITIES

(as amended by Federal Laws No. 172-FZ, dated 10 December 2003; No. 234-FZ, dated 23 July 2013)

Article 30. Supervision of the activity of insurance entities

(as amended by Federal Laws No. 172-FZ, dated 10 December 2003; No. 234-FZ, dated 23 July 2013)

1. Supervision of the activity of insurance entities (hereinafter, the insurance supervision) shall be performed to ensure their compliance with the

insurance legislation, to prevent and deter violations of the relations regulated by this Law and insurance legislation, to protect the rights and legitimate interests of policyholders, other persons concerned and the state, and to prevent the financial situation of the insurer from becoming unstable.

(Clause 1 as amended by Federal Laws No. 234-FZ, dated 23 July 2013, and No. 87-FZ, dated 23 April 2018)

2. Insurance supervision shall be exercised on the principles of legality, transparency, and organisational unity.

3. Insurance supervision shall be exercised by the Bank of Russia.

(Paragraph as amended by Federal Law No. 234-FZ, dated 23 July 2013)

The insurance supervisory body shall publish the following information in a printed matter and (or) on its official website:

(Paragraph as amended by Federal Laws No. 12-FZ, dated 7 March 2005; No. 234-FZ, dated 23 July 2013)

1) clarification of issues related to the competence of the insurance supervisory body;

(Sub-clause 1 as amended by Federal Law No. 12-FZ, dated 7 March 2005)

2) information from the Unified State Register of Insurance Entities and the register of associations of insurance entities;

(Sub-clause 2 as amended by Federal Law No. 12-FZ, dated 7 March 2005)

3) documents of limitation, suspension, or renewal of the licence for insurance activities;

(Sub-clause 3 as amended by Federal Law No. 12-FZ, dated 7 March 2005)

4) documents of revocation of the licence for insurance activities;

(Sub-clause 4 as amended by Federal Law No. 12-FZ, dated 7 March 2005)

5) other information on monitoring and supervision in the sphere of insurance activity (the insurance business);

(Sub-clause 5 as amended by Federal Law No. 12-FZ, dated 7 March 2005)

6) regulations adopted by the insurance supervisory body in accordance with this Law and other federal laws.

(Sub-clause 6 as amended by Federal Law No. 234-FZ, dated 23 July 2013)

4. Insurance supervision shall include:

1) licensing of the activity of insurance entities and maintenance of the Unified State Register of Insurance Entities, the register of associations of insurance entities, and the Unified Register of Self-regulatory Organisations in the Financial Market;

(Sub-clause 1 as amended by Federal Laws No. 234-FZ, dated 23 July 2013; No. 292-FZ, dated 3 July 2016)

2) monitoring of the observance of insurance legislation and the reliability of provided statements, including by carrying out on-site inspections of the activity of insurance entities, and verifying that insurers secure their financial sustainability and solvency;

3) in cases stipulated by this Law, the issue within thirty (30) days of permits to increase the authorised capitals of insurance companies at the expense of foreign investors, to conduct transactions for the alienation of shares (stakes in the authorised capitals) of insurance companies, as well as to open branches of the insurers with foreign investments;

(Sub-clause 3 as amended by Federal Law No. 251-FZ, dated 29 July 2018)

4) *No longer valid. – Federal Law No. 12-FZ, dated 7 March 2005;*

5) *No longer valid. – Federal Law No. 12-FZ, dated 7 March 2005;*

6) making a decision on the appointment of a provisional administration and the suspension and limitation of powers of the executive body of the insurance company in the cases and according to the procedure established by the Federal Law 'On Insolvency (Bankruptcy)'.
(Sub-clause 6 introduced by Federal Law No. 65-FZ, dated 22 April 2010)

5. The insurance entities shall:

1) comply with the requirements of the insurance legislation;

2) provide statutory reports about their activities and information about their financial position as well as documents and information in accordance with the legislation of the Russian Federation, including legislation on insolvency (bankruptcy);

3) follow the orders of the insurance supervisory body provided for in this Law and submit information and documents confirming the fulfilment of such orders within the timeframes specified therein;

(Sub-clause 3 as amended by Federal Law No. 87-FZ, dated 23 April 2018)

4) at the requests of the insurance supervisory body, submit information and documents necessary for the implementation of insurance supervision, including information on their financial position, within the timeframes specified in such requests;

5) submit copies of the regulations on branches and representative offices situated outside the location of the insurance entities to the insurance supervisory body, indicating their addresses (locations), as well as copies of documents confirming the powers of their executives;

6) enable the submission of electronic documents to the insurance supervisory body as well as receipt of electronic documents from the insurance supervisory body, including via a personal account on the official website of the insurance supervisory body in accordance with Federal Law No. 86-FZ, dated 10 July 2002, 'On the Central Bank of the Russian Federation (Bank of Russia)'.
(Sub-clause 6 introduced by Federal Law No. 231-FZ, dated 13 July 2015)

(Clause 5 as amended by Federal Law No. 234-FZ, dated 23 July 2013)

5¹. In order to ensure timely identification of risks of insolvency of insurance entities, the insurance supervisory body shall in accordance with the established procedure monitor the activity of insurance entities using financial indicators (ratios) that characterise the financial position of insurance entities and their resilience to internal and external risk factors.

Monitoring of the activity of insurance entities shall be carried out by the insurance supervisory body on the principles of sovereignty, objectivity, application of the uniform rules for setting requirements for insurance entities, comprehensiveness, immediacy, and reasonableness of the evaluation.

(Clause 5¹ introduced by Federal Law No. 234-FZ, dated 23 July 2013)

6. The orders and requests of the insurance supervisory body shall be sent to insurance entities by mail, facsimile, or delivery to the recipient or as electronic documents signed with enhanced encrypted and certified electronic signature according to the procedure established by the insurance supervisory body. When the orders and requests of the insurance supervisory body are sent to insurance entities as electronic documents, these orders and requests shall be deemed received after one (1) business day from the date of sending to the recipient in accordance with the procedure established by the insurance supervisory body, provided that the insurance supervisory body has received confirmation of receipt of these orders and requests in accordance with the established procedure.

(Clause 6 introduced by Federal Law No. 231-FZ, dated 13 July 2015)

Article 31. *No longer valid. – Federal Law No. 205-FZ, dated 26 July 2017.*

Article 32. Licensing of the Activity of Insurance Entities

(as amended by Federal Law No. 234-FZ, dated 23 July 2013)

1. A licence for insurance, reinsurance, mutual insurance, or intermediary activity as an insurance broker (hereinafter, a licence) shall be a special permit to carry out insurance activity issued by the insurance supervisory body to an insurance entity.

2. A licence shall be issued:

1) to insurance companies for the provision of:

voluntary life insurance;

voluntary personal insurance, except for voluntary life insurance;

voluntary property insurance;

types of insurance whose provision is stipulated by federal laws on specific types of compulsory insurance;

(Paragraph as amended by Federal Law No. 223-FZ, dated 21 July 2014)

reinsurance, in the case of assuming insurance indemnity commitments under a reinsurance contract;

2) to reinsurance companies for the provision of reinsurance;

3) to mutual insurance companies for the provision of mutual insurance in the form of voluntary insurance and in the form of compulsory insurance, if the company has the right to provide compulsory insurance in accordance with federal laws on specific types of compulsory insurance;

4) to insurance brokers to perform intermediary activity as an insurance broker.

3. To obtain a licence, an applicant for a licence for insurance/reinsurance shall submit the following documents to the insurance supervisory body:

1) an application for a licence;

2) documents confirming payment of the state duty for the issue of a licence;

3) the charter of the applicant for a licence;

4) decisions on the approval of the charter of the applicant for a licence and on the election or appointment of the management bodies of the applicant for a licence, as well as on the establishment of an audit commission or the election of an auditor of the applicant for a licence;

5) data on the founders (shareholders, members);

6) documents confirming payment of the authorised capital in full;

7) data on the persons specified in Article 321 thereof, with attached documents confirming the compliance of the said persons with eligibility and other requirements established by this Law, Federal Law No. 293-FZ, dated 2 November 2013, 'On Actuarial Activities in the Russian Federation', and regulations of the insurance supervisory body (data on the persons appointed to the positions of deputy of a person acting as the sole executive body, member of the collegiate executive body, member of the board of directors (supervisory board), and deputy chief accountant of the insurance company and head and chief accountant of an insurance company branch and data on the actuary of a

medical insurance company engaged exclusively in compulsory medical insurance shall be provided if there are such positions on the staff of the applicant for a licence);

8) documents (according to the list established by regulations of the insurance supervisory body) confirming the sources of the property contributed by the founders (shareholders, members) of the applicant for a licence to the authorised capital;

9) the regulation on internal audit;

10) documents confirming the compliance of the applicant for a licence with the requirements established by the legislation of the Russian Federation on state secret (provided that this requirement is established by law);

11) documents confirming the compliance of the applicant for a licence with the requirements established by federal laws on specific types of compulsory insurance (provided that federal laws contain additional requirements for insurers);

12) a business plan approved by the meeting of founders (shareholders, members) of the applicant for a licence.

(Clause 3 as amended by Federal Law No. 251-FZ, dated 29 July 2018)

4. Applicants for a licence registered in the Unified State Register of Insurance Entities shall not submit to the insurance supervisory body the documents specified in Sub-clauses 3–11 of Clause 3 hereof that are available to the insurance supervisory body provided that they have not been amended.

(Clause 4 as amended by Federal Law No. 251-FZ, dated 29 July 2018)

5. To obtain a licence for mutual insurance, the applicant for a licence (a non-commercial organisation) shall submit to the insurance supervisory body the following documents:

1) an application for a licence;

2) documents confirming payment of the state duty for the issue of a licence;

3) the charter of the mutual insurance company;

4) decisions on the approval of the charter of the applicant for a licence, the election or appointment of the management bodies of the applicant for a licence, and the appointment of an internal auditor (head of the internal audit service);

5) data on the persons appointed (elected) to the positions of director of the company and members of the board, internal auditor (head of the internal audit service), and chief accountant, and also data on the actuary, with attached documents confirming the compliance of the said persons with eligibility and other requirements established by this Law, Federal Law No. 286-FZ, dated 29 November 2007, 'On Mutual Insurance', Federal Law No. 293-FZ, dated 2 November 2013, 'On Actuarial Activities in the Russian Federation', and regulations of the insurance supervisory body;

6) the regulation on internal audit;

7) data on members of the mutual insurance company, indicating their property interests, for the protection of which the mutual insurance company was created.

(Clause 5 as amended by Federal Law No. 251-FZ, dated 29 July 2018)

6. To obtain a licence for intermediary activity as an insurance broker, the applicant for a licence shall submit to the insurance supervisory body the following documents:

1) an application for a licence;

2) documents confirming payment of the state duty for the issue of a licence;

3) the charter of the applicant for a licence that is a legal entity;

4) data on the persons appointed (elected) to the positions of heads (person acting as the sole executive body, head of the collegiate executive body), members of the collegiate executive body of an insurance broker that is a legal entity, data on an insurance broker that is an individual entrepreneur, and data on the chief accountant of an insurance broker, with attached documents confirming the compliance of the said persons with eligibility and other

requirements established by this Law and regulations of the insurance supervisory body;

5) a bank guarantee for an amount of no less than three (3) million rubles or documents confirming the availability of equity capital in the amount of no less than three (3) million rubles, in accordance with Paragraph 6 of Clause 6 of Article 8 thereof.

(Clause 6 as amended by Federal Law No. 251-FZ, dated 29 July 2018)

7. Applicants for a licence which are subsidiaries of foreign investors or in the authorised capital of which the share of foreign investors exceeds 49 per cent, in addition to the documents specified in Clause 3 hereof, shall submit to the insurance supervisory body the following documents:

1) the decision of a foreign investor that is a legal entity on its participation in the establishment of an insurance company in the Russian Federation;

2) an extract from the register of foreign legal entities of the country of incorporation of the foreign investor that is a legal entity or other document of equal legal force which confirms the legal status of the founder (shareholder, member) that is a foreign legal entity;

3) written consent of the appropriate insurance supervisory body of the country of incorporation for participation of the foreign investor that is a legal entity in the authorised capital of insurance companies incorporated in the Russian Federation, or the conclusion of this supervisory body or a person authorised to provide legal services in the country of incorporation of the foreign investor that is a legal entity on the absence of the need to obtain such consent in accordance with the laws of this country;

4) a copy of a licence (special permit) of the country of incorporation of the foreign investor that is a legal entity;

5) accounting (financial) statements of the foreign investor that is a legal entity for the last five (5) years of its activity compiled in accordance with the standards established by the personal law of the foreign investor that is a legal

entity and confirming that the foreign investor that is a legal entity carries out its insurance activities in accordance with the legislation of the country of incorporation, with a copy of the auditor's report for the last reporting period (if any).

(Clause 7 as amended by Federal Law No. 251-FZ, dated 29 July 2018)

8. A regulation of the insurance supervisory body shall establish the requirements for the information, documents and (or) standard forms in respect of the documents specified in Sub-clauses 1, 5, 6, 7, 8, and 12 of Clause 3, Sub-clauses 1, 5, and 7 of Clause 5, and Sub-clauses 1 and 4 of Clause 6 hereof, and the procedure and methods for submitting the documents specified in Clauses 3, 5-7 hereof to the insurance supervisory body.

The insurance supervisory body, using the unified system of interdepartmental electronic interaction, shall request information about the applicant for a licence and its founders (shareholders, participants, members) contained in the Unified State Register of Legal Entities and the Unified State Register of Individual Entrepreneurs from the federal executive body carrying out the state registration of legal entities and individual entrepreneurs.

(Clause 8 as amended by Federal Law No. 251-FZ, dated 29 July 2018)

9. The lists of documents specified in this Article which are to be submitted by applicants for a licence shall be exhaustive, unless federal laws on specific types of compulsory insurance provide for additional requirements for insurers. In order to verify the received information, the insurance supervisory body shall be entitled to send written requests to organisations to provide (within their competences) information concerning the documents submitted by the applicants for a licence in accordance with the legislation of the Russian Federation.

10. If applications for licences and other documents do not meet the requirements established by this Law and (or) regulations of the insurance supervisory body and (or) if the documents specified in this Article are not submitted in full, the insurance supervisory body shall notify the applicant for a

licence in writing of the need to eliminate the violations revealed and to prepare the documents properly, with an exhaustive list of missing or incorrectly prepared documents and of the suspension of the term for making the decision for no more than thirty (30) business days. If the applicant for a licence fails to submit the duly prepared documents within the period specified in such notice, the application for a licence and the attached documents previously submitted by the applicant for a licence shall be returned to the applicant for a licence.

The insurance supervisory body shall make a decision on licence issue or refusal to issue a licence within thirty (30) business days from the date of submission by the applicant for a licence to the insurance supervisory body of all duly prepared documents specified in this Article.

The insurance supervisory body shall notify the applicant for a licence of its decision to issue a licence or refuse to issue a licence within five (5) business days from the date of adoption of the relevant decision.

(Clause 10 as amended by Federal Law No. 251-FZ, dated 29 July 2018)

11. Insurers and insurance brokers shall notify the insurance supervisory body in writing about changes in the documents on the basis of which the licence was issued in accordance with Sub-clauses 3–12 of Clause 3, Sub-clauses 3–7 of Clause 5, and Sub-clauses 3–5 of Clause 6 hereof and at the same time submit documents confirming these changes within thirty (30) days from the date when these changes were made.

(Clause 11 as amended by Federal Laws No. 281-FZ, dated 29 July 2017; and No. 251-FZ, dated 29 July 2018)

12. Invalid starting 1 January 2019 – Federal Law No. 251-FZ, dated 29 July 2018.

13. Documents submitted by insurance entities to the insurance supervisory body shall be drawn up in the Russian language.

14. A licence for insurance activity shall contain the following information:

- 1) the name of the insurance supervisory body that issued the licence;
- 2) the name (company name) of an insurance entity that is a legal entity;

- 3) the full name of an insurance entity that is an individual entrepreneur;
- 4) the location and postal address of an insurance entity that is a legal entity or the place of residence and postal address of an insurance entity that is an individual entrepreneur;
- 5) the primary state registration number of a legal entity or an individual entrepreneur;
- 6) the taxpayer identification number;
- 7) the activity in the field of the insurance business (insurance, reinsurance, mutual insurance, intermediary activity as an insurance broker);
- 8) type of activity of the insurance company (voluntary life insurance; voluntary personal insurance except for voluntary life insurance; voluntary property insurance; or the name of the insurance type in accordance with the federal law on a specific type of compulsory insurance);

(Sub-clause 8 as amended by Federal Law No. 223-FZ, dated 21 July 2014)

- 9) the forms and types of insurance carried out by a mutual insurance company under its charter;
- 10) the number and date of the decision of the insurance supervisory body on the issue, renewal of the licence, or replacement of the licence form;
- 11) the registration number of the entry in the Unified State Register of Insurance Entities;
- 12) the number and date of issue of the licence.
- 13) other data provided for by the insurance supervisory body.

(Sub-clause 13 introduced by Federal Law No. 251-FZ, dated 29 July 2018)

15. The form of the licence and the procedure for the licence issue to an insurance entity shall be established by the insurance supervisory body.

(Clause 15 as amended by Federal Law No. 251-FZ, dated 29 July 2018)

16. Invalid starting 1 January 2019 – Federal Law No. 251-FZ, dated 29 July 2018.

17. In the case of changes to the information specified in the licence, the licence shall be reissued according to the procedure and within the timeframes established by the insurance supervisory body.

(Clause 17 as amended by Federal Law No. 251-FZ, dated 29 July 2018)

18. In the case of loss or damage to the licence, the insurance entity shall be entitled to receive a duplicate of the licence according to the procedure and within the timeframes established by the insurance supervisory body.

(Clause 18 as amended by Federal Law No. 251-FZ, dated 29 July 2018)

Article 32¹. Eligibility and Other Requirements

(introduced by Federal Law No. 172-FZ, dated 10 December 2003)

1. Executives (including a person acting as the sole executive body or a head of the collegiate executive body) of an insurance entity that is a legal entity (except for insurance company) or an individual entrepreneur acting as an insurance entity shall have a higher education confirmed by a document of higher education recognised in the Russian Federation and at least two (2) years of work experience as an executive of a division of an insurance entity or a financial institution.

(Paragraph as amended by Federal Law No. 281-FZ, dated 29 July 2017)

A person acting as the sole executive body, his/her deputy, member of the collegiate executive body of an insurance company, executive of an insurance company's branch shall have a higher education (bachelor's degree, master's degree, advanced training programme) (hereinafter, higher education) confirmed by a document of education and qualification with the provision of a copy of such document and, unless otherwise stipulated by the insurance supervisory body, at least two (2) years of work experience as an executive of a credit institution or non-bank financial institution (hereinafter jointly referred to as the financial institution) or a structural unit of the financial institution operating in the financial market or work experience as an executive in federal government, local government, or the insurance supervisory body.

(Paragraph introduced by Federal Law No. 281-FZ, dated 29 July 2017)

A person acting as a member of the board of directors (supervisory board) of an insurance company shall have a higher education confirmed by a

document of higher education and qualification with the provision of a copy of such document.

(Paragraph introduced by Federal Law No. 281-FZ, dated 29 July 2017)

(Clause 1 as amended by Federal Law No. 234-FZ, dated 23 July 2013)

1¹. No longer valid. – Federal Law No. 234-FZ, dated 23 July 2013.

2. A person acting as a chief accountant, deputy chief accountant of an insurance company shall meet the requirements of Federal Law No. 402-FZ, dated 6 December 2011, 'On Accounting' and, unless otherwise stipulated by the insurance supervisory body, have at least two (2) years of work experience in an insurance/reinsurance company during the five (5) years preceding the appointment.

(Paragraph as amended by Federal Law No. 281-FZ, dated 29 July 2017)

The chief accountant of an insurance broker shall have a higher education confirmed by a document of higher education recognised in the Russian Federation and at least two (2) years of work experience in a division of an insurance entity whose activity is related to accounting and (or) finance.

The chief accountant of a mutual insurance company shall have higher education confirmed by a document of higher education recognised in the Russian Federation and at least two (2) years of work experience in a position connected with economic activity or accounting in an insurance/reinsurance company, mutual insurance company, and (or) insurance broker company registered in the Russian Federation.

(Clause 2 as amended by Federal Law No. 234-FZ, dated 23 July 2013)

2¹. No longer valid. – Federal Law No. 234-FZ, dated 23 July 2013.

3. No longer valid. – Federal Law No. 12-FZ, dated 7 March 2005.

3¹. The internal auditor/head of internal audit shall have a higher economic, financial, or legal education confirmed by a document of higher economic, financial, or legal education recognised in the Russian Federation and no less than two (2) years of work experience in their field in an insurance/reinsurance company, financial institution or audit firm registered in

the Russian Federation or state financial control bodies in the Russian Federation.

(Paragraph as amended by Federal Law No. 146-FZ, dated 23 May 2016)

If the persons referred to in this clause have a different higher education, they shall confirm the fact of professional retraining in economics, finance, or law with a certificate of professional training recognised in the Russian Federation and shall also have at least three (3) years of work experience in a division of an insurance entity whose activity is related to accounting, finance, or law.

(Clause 3¹ introduced by Federal Law No. 234-FZ, dated 23 July 2013)

3². A person acting as an auditor (head of the audit commission) shall meet the eligibility requirements of the insurance supervisory body.

A person acting as a special officer responsible for the implementation of internal control rules at an insurance company for the purpose of countering the legalisation (laundering) of criminally obtained incomes and the financing of terrorism shall meet the eligibility requirements set by the insurance supervisory body upon the agreement with the federal executive authority in charge of countering the legalisation (laundering) of criminally obtained incomes and the financing of terrorism.

(Clause 3² introduced by Federal Law No. 281-FZ, dated 29 July 2017)

4. The position of internal auditor/head of internal audit may not be held by a person who:

1) acted as the sole executive body or chief accountant of an insurer or as a member of the collegiate executive body of the insurer during the two (2) years preceding the date of appointment to the position of internal auditor/head of internal audit;

2) is a shareholder (participant) of the insurer;

3) is related by blood or marriage (parents, spouses, children, brothers, sisters, as well as brothers, sisters, parents, and children of spouses) to shareholders (participants) of the insurer or a person who is the sole executive body of the insurer, a member of the board of directors (supervisory board) or

the collegiate executive body of the insurer, or the chief accountant of the insurer.

(Clause 4 as amended by Federal Law No. 234-FZ, dated 23 July 2013)

5. An actuary shall comply with the requirements of federal law on actuarial activities in the Russian Federation.

(Clause 5 as amended by Federal Law No. 234-FZ, dated 23 July 2013)

6. The persons referred to in Paragraph 1 of Clause 1, Paragraphs 2 and 3 of Clause 2 thereof, as well as persons acting as an internal auditor/head of internal audit of a mutual insurance company, board members of a mutual insurance company, members of the collegiate executive body, and members of the board of directors (supervisory board) of an insurance broker, may not be:

(Paragraph as amended by Federal Law No. 281-FZ, dated 29 July 2017)

1) persons who acted as the sole executive body of financial institutions at the moment such institutions committed violations which led to the cancellation (revocation) of licences for the relevant types of activities or violations which led to the suspension of licences, and the licences were cancelled (revoked) as a result of failure to eliminate these violations, if less than three (3) years have passed from the date of such cancellation (revocation). A financial institution, for the purposes of this Law, shall mean a professional securities market participant, a clearing company, a management company of an investment fund, unit investment fund, or non-governmental pension fund, a specialised depository of an investment fund, unit investment fund, or non-governmental pension fund, a joint-stock investment fund, a credit institution, an insurance company, an insurance broker, a mutual insurance company, a non-governmental pension fund, or a trade organiser;

(Sub-clause 1 as amended by Federal Law No. 146-FZ, dated 23 May 2016)

2) persons for whom a period of administrative penalty in the form of disqualification has not yet expired;

3) persons with an unexpunged or outstanding conviction for economic crimes or crimes against the state.

(Clause 6 introduced by Federal Law No. 134-FZ, dated 28 June 2013)

6¹. A person acting as the sole executive body, his/her deputy, member of the collegiate executive body, chief accountant or deputy chief accountant of an insurance company, executive or chief accountant of an insurance company's branch, auditor (head of the audit commission), internal auditor (head of internal audit), member of the board of directors (supervisory board) of an insurance company or a special officer responsible for the implementation of internal control rules at an insurance company for the purpose of countering the legalisation (laundering) of criminally obtained incomes and the financing of terrorism shall meet the business reputation requirements. A person shall be deemed non-compliant with the business reputation requirements in the following cases:

1) if a person has an unexpunged or outstanding conviction for a premeditated crime as of the day preceding the date of his/her appointment (election) to a position or the date of submission to the insurance supervisory body of an application for approval of his/her candidacy (except for a candidate for a position of a special officer responsible for the implementation of internal control rules at an insurance company for the purpose of countering the legalisation (laundering) of criminally obtained incomes and the financing of terrorism);

2) if a person has been convicted for a premeditated crime (except for a candidate for a position of a special officer responsible for the implementation of internal control rules at an insurance company for the purpose of countering the legalisation (laundering) of criminally obtained incomes and the financing of terrorism) but not sentenced due to the expiry of the limitation period for the prosecution, and the five-year period following the conviction has not elapsed as of the day preceding the date of the person's appointment (election) to a position or the date of submission to the insurance supervisory body of an application for approval of his/her candidacy;

3) if the Bank of Russia registers the fact that a person acting as the sole executive body, his/her deputy, member of the collegiate executive body,

member of the board of directors (supervisory board), or founder (shareholder, participant) of a financial institution has failed to execute the duties entrusted to him/her by the Federal Law 'On Insolvency (Bankruptcy)', when grounds arise for bankruptcy prevention measures at the financial institution and (or) the financial institution shows signs of insolvency (bankruptcy) within five (5) years preceding the date of the person's appointment (election) to a position or the date of submission to the insurance supervisory body of an application for approval of his/her candidacy;

4) if a person has been made subsidiary liable, following the effective court ruling, for the financial institution's obligations or liable for recovery of damages in favour of the financial institution pursuant to the Federal Law 'On Insolvency (Bankruptcy)' and the five-year period following the court ruling has not elapsed as of the day preceding the date of the person's appointment (election) to a position or the date of submission to the insurance supervisory body of an application for approval of his/her candidacy;

5) if an individual has been recognised as bankrupt and the five-year period following the procedure for disposal of his/her assets or the termination of bankruptcy proceedings in the course of such procedure has not elapsed as of the day preceding the date of the person's appointment (election) to a position or the date of submission to the insurance supervisory body of an application for approval of his/her candidacy;

6) if an unincorporated individual entrepreneur has been recognised as bankrupt and the five-year period following the procedure for disposal of his/her assets or the termination of bankruptcy proceedings in the course of such procedure has not elapsed as of the day preceding the date of the person's appointment (election) to a position or the date of submission to the insurance supervisory body of an application for approval of his/her candidacy;

7) if a person, within five (5) years preceding the date of his/her appointment (election) to a position or the date of submission to the insurance supervisory body of an application for approval of his/her candidacy, has the

right to give instructions or a possibility to otherwise determine the actions of a financial institution (irrespective of the period during which the person had such right or possibility), which was recognised as bankrupt by the arbitration court (except for the case if the person submitted to the insurance supervisory body evidence of not being involved in making a decision or taking actions (inaction), which had led to the recognition of the financial institution as bankrupt by the arbitration court);

8) if a financial institution, where a person acted as the sole executive body, his/her deputy, member of the collegiate executive body, chief accountant or deputy chief accountant of the financial institution, executive or chief accountant of the financial institution's branch, head of risk management, internal auditor (head of internal audit), controller (head of internal controls), special officer responsible for the implementation of internal control rules at the financial institution for the purpose of countering the legalisation (laundering) of criminally obtained incomes and the financing of terrorism, or member of the board of directors (supervisory board) of the financial institution, was required, within five (5) years preceding the date of the person's appointment (election) to a position or the date of submission to the insurance supervisory body of an application for approval of his/her candidacy, to replace the said person based on Part 4 of Article 60, Articles 74, 76⁹⁻¹ and 76⁹⁻³ of Federal Law No. 86-FZ, dated 10 July 2002, 'On the Central Bank of the Russian Federation (Bank of Russia)';

9) if a person acted (irrespective of the term of office) as the sole executive body, his/her deputy, member of the collegiate executive body, chief accountant or deputy chief accountant of the financial institution, executive or chief accountant of the financial institution's branch, head of risk management, internal auditor (head of internal audit), controller (head of internal controls), special officer responsible for the implementation of internal control rules at the financial institution for the purpose of countering the legalisation (laundering) of criminally obtained incomes and the financing of terrorism, or

member of the board of directors (supervisory board) of the financial institution within twelve (12) months preceding the day of the Bank of Russia's decision to take bankruptcy prevention measures against the financial institution (except for the cases when these measures with regard to a credit institution are implemented with the involvement of the Bank of Russia or the state corporation Deposit Insurance Agency), provided that the Bank of Russia made such decision within five (5) years preceding the date of the person's appointment (election) to a position or the date of submission to the insurance supervisory body of an application for approval of his/her candidacy (except for the case if the person submitted to the insurance supervisory body evidence of not being involved in making a decision or taking actions (inaction), which had led to the implementation of these measures);

10) if a person acted (irrespective of the term of office) as the sole executive body, his/her deputy, member of the collegiate executive body, chief accountant or deputy chief accountant of a credit institution, executive or chief accountant of the credit institution's branch, head of risk management, head of internal audit, head of internal controls, special officer responsible for the implementation of internal control rules at the credit institution for the purpose of countering the legalisation (laundering) of criminally obtained incomes and the financing of terrorism, or member of the board of directors (supervisory board) of the credit institution within twelve (12) months preceding the day of the Bank of Russia's decision to take bankruptcy prevention measures against the credit institution with the Bank of Russia's involvement based on the plan for Bank of Russia participation in bankruptcy prevention measures approved by the Bank of Russia Board of Directors or with the involvement of the state corporation Deposit Insurance Agency based on the plan for participation of the state corporation Deposit Insurance Agency in bankruptcy prevention measures approved by the Bank of Russia, provided that the Bank of Russia made such decision within five (5) years preceding the date of the person's appointment (election) to a position or the date of submission to the insurance

supervisory body of an application for approval of his/her candidacy (except for the case if the person submitted to the insurance supervisory body evidence of not being involved in making a decision or taking actions (inaction), which had led to the implementation of these measures);

11) if a person acted (irrespective of the term of office) as the sole executive body, his/her deputy, member of the collegiate executive body, chief accountant or deputy chief accountant of the financial institution, executive or chief accountant of the financial institution's branch, head of risk management, internal auditor (head of internal audit), controller (head of internal controls), special officer responsible for the implementation of internal control rules at the financial institution for the purpose of countering the legalisation (laundering) of criminally obtained incomes and the financing of terrorism, or member of the board of directors (supervisory board) of the financial institution within twelve (12) months preceding the day of the revocation (cancellation) of the financial institution's licence to conduct operations corresponding to its type of activity for violation of the legislation of the Russian Federation or the day of striking off the financial institution from the respective register for violation of the legislation of the Russian Federation, and the five-year period following the day of the revocation (cancellation) of the financial institution's licence to conduct operations corresponding to its type of activity or the day of striking off the financial institution from the respective register has not elapsed as of the day preceding the date of the person's appointment (election) to a position or the date of submission to the insurance supervisory body of an application for approval of his/her candidacy (except for the case if the person submitted to the insurance supervisory body evidence of not being involved in making a decision or taking actions (inaction), which had led to the revocation (cancellation) of the licence or the striking-off from the respective register);

12) if a person was held administratively liable twice or more within three years preceding the date of the person's appointment (election) to a position or

the date of submission to the insurance supervisory body of an application for approval of his/her candidacy, pursuant to the effective court ruling, for illegitimate actions in the course of bankruptcy of the legal entity, deliberate and (or) fictitious bankruptcy of the legal entity (except for the cases when such administrative offence led to warning as part of preventive measures);

13) if a person was held criminally liable, pursuant to the effective court ruling, for illegitimate actions in the course of bankruptcy of the legal entity, deliberate and (or) fictitious bankruptcy of the legal entity and the five-year period following the day of the court ruling's becoming effective has not elapsed as of the day preceding the date of the person's appointment (election) to a position or the date of submission to the insurance supervisory body of an application for approval of his/her candidacy;

14) if a person, within five (5) years preceding the date of his/her appointment (election) to a position or the date of submission to the insurance supervisory body of an application for approval of his/her candidacy, has the right to give instructions or a possibility to otherwise determine the actions of a credit institution (irrespective of the period during which the person had such right or possibility), whose banking licence was revoked based on the provisions of Clauses 1, 2, and 4 of Part 2 of Article 20 of the Federal Law 'On Banks and Banking Activities' or a non-bank financial institution whose licence was revoked (cancelled) for violation of the legislation of the Russian Federation or which was struck off from the respective register for violation of the legislation of the Russian Federation, and the fact of the person's having such right or possibility was established within 12 months preceding the day of the revocation (cancellation) of the licence or the day of its striking-off from the respective register, except for the persons who have submitted to the insurance supervisory body evidence of not being involved in making a decision or taking actions (inaction), which had led to the said revocation (cancellation) of the licence or the striking-off from the respective register. Such evidence for the person who has been a member of the board of directors

(supervisory board) shall be the fact that he/she voted against the decision of the board of directors (supervisory board) of the financial institution (or, acting in good faith, did not take part in the voting), which may entail the said revocation (cancellation) of the licence or the striking-off from the respective register, and submitted information to the Bank of Russia. Such information shall be submitted to the Bank of Russia in accordance with the procedure established by the Bank of Russia regulation within fifteen (15) days following the day of the adoption of the respective decision by the board of directors (supervisory board) of the financial institution;

15) if a person (except for a candidate to a position of a special officer responsible for the implementation of internal control rules at the insurance company for the purpose of countering the legalisation (laundering) of criminally obtained incomes and the financing of terrorism) committed more than three times within a year, preceding the date of his/her appointment (election) to a position or the date of submission to the insurance supervisory body of an application for approval of his/her candidacy, an administrative offence in the sphere of entrepreneurial activity or in the sphere of finance, taxes and duties, insurance, securities market, established by the effective ruling of a judge or the effective decision of a body or an officer authorised to consider administrative offence cases;

16) if a person has been undergoing disqualification, the period of which has not elapsed as of the day preceding the date of his/her appointment (election) to a position or the date of submission to the insurance supervisory body of an application for approval of his/her candidacy;

17) if a person acted (irrespective of the term of office) as the sole executive body, his/her deputy, member of the collegiate executive body, chief accountant or deputy chief accountant of the financial institution, executive or chief accountant of the financial institution's branch, head of risk management, controller (head of internal controls), internal auditor (head of internal audit), special officer responsible for the implementation of internal control rules at

the financial institution for the purpose of countering the legalisation (laundering) of criminally obtained incomes and the financing of terrorism, or member of the board of directors (supervisory board) of the financial institution within twelve (12) months preceding the day of the appointment, pursuant to the Bank of Russia's decision, of provisional administration to the financial institution and suspension of the powers of its executive bodies, provided that the Bank of Russia made such decision within five (5) years preceding the date of the person's appointment (election) to a position or the date of submission to the insurance supervisory body of an application for approval of his/her candidacy (except for the persons who submitted to the insurance supervisory body evidence of not being involved in making a decision or taking actions (inaction), which had led to the appointment of the provisional administration);

18) if a labour contract with a person has been terminated by the employer on the grounds stipulated by Clause 7 or 7¹ of Part 1 of Article 81 of the Labour Code of the Russian Federation and the three-year period following the day of termination of such labour contact has not elapsed as of the day preceding the date of the person's appointment (election) to a position or the date of submission to the insurance supervisory body of an application for approval of his/her candidacy;

19) if a person, within five (5) years preceding his/her appointment (election) to a position or the date of submission to the insurance supervisory body of an application for approval of his/her candidacy, provided deliberately false information about his/her compliance with eligibility and (or) business reputation requirements established by federal laws regulating the activity of financial institutions and (or) about observance of limitations established by the said federal laws with regard to persons holding positions at financial institutions, and such information could have a material influence on the Bank of Russia's decision, for the adoption of which the said information was provided;

20) if the Bank of Russia carried out, within five (5) years preceding the date of the person's appointment (election) to a position or the date of submission to the insurance supervisory body of an application for approval of his/her candidacy, measures, in pursuance of federal laws, against the financial institution, where the person was involved in the preparation (compilation), and (or) submission, and (or) signing, and (or) approval of statements (while acting as the sole executive body, his/her deputy, member of the collegiate executive body, member of the board of directors (supervisory board), chief accountant or deputy chief accountant of the financial institution, executive or chief accountant of the financial institution's branch), for submission of unreliable statements;

21) if a court of law found, within five (5) years preceding the date of the person's appointment (election) to a position or the date of submission to the insurance supervisory body of an application for approval of his/her candidacy, the person guilty of infliction of damage to any legal entity while acting as the member of the board of directors (supervisory board), sole executive body, his/her deputy, member of the collegiate executive body of the legal entity, chief accountant or deputy chief accountant of the legal entity, executive or chief accountant of the legal entity's branch, including temporary acting positions, or exercising the powers of the founder (participant) of the legal entity;

22) if the Bank of Russia registered the fact that the person took actions (organised actions) pertaining, in compliance with the legislation of the Russian Federation, to the misuse of insider information and market manipulation within five (5) years preceding the date of the person's appointment (election) to a position or the date of submission to the insurance supervisory body of an application for approval of his/her candidacy;

23) if a person acted (irrespective of the term of office) as the sole executive body, his/her deputy, member of the collegiate executive body, head of risk management, internal auditor (head of internal audit), special officer

responsible for the implementation of internal control rules for the purpose of countering the legalisation (laundering) of criminally obtained incomes and the financing of terrorism, controller (head of internal controls), or officer (head of a structural unit) in charge of internal controls for the purpose of countering the misuse of insider information and market manipulation at the financial institution in the period when such institution performed actions pertaining, in compliance with the legislation of the Russian Federation, to the misuse of insider information and market manipulation, in case the institution was subject to repeated measures within a year for performing such actions, and the five-year period following the day of the last application of the said measures has not elapsed as of the day preceding the date of the person's appointment (election) to a position or the date of submission to the insurance supervisory body of an application for approval of his/her candidacy;

24) if the fact was registered, within five (5) years preceding the date of the person's appointment (election) to a position or the date of submission to the insurance supervisory body of an application for approval of his/her candidacy, that a person, who acted as the head of an audit firm, or a person authorised by him/her, or an individual auditor, signed the auditor's report, which had been recognised as deliberately false by a court ruling;

25) if the fact was registered, within five (5) years preceding the date of the person's appointment (election) to a position or the date of submission to the insurance supervisory body of an application for approval of his/her candidacy, that a person was denied state registration as a legal entity on the grounds provided for by Sub-clause 't' of Clause 1 of Article 23 of Federal Law No. 129-FZ, dated 8 August 2001, 'On the State Registration of Legal Entities and Individual Entrepreneurs'.

(Clause 6¹ introduced by Federal Law No. 281-FZ, dated 29 July 2017)

7. A current member of the board of directors (supervisory board) of the insurance broker, under the circumstances specified in Sub-clauses 1–3 of

Clause 6 hereof, shall be deemed withdrawn as of the effective date of the respective decision of an authorised body or a court of law.

(Clause 7 introduced by Federal Law No. 134-FZ, dated 28 June 2013; as amended by Federal Law No. 281-FZ, dated 29 July 2017)

7¹. Persons referred to in Paragraph 1 of Clause 6¹ hereof, while being agreed with the insurance supervisory body (if such an agreement is required), appointed (elected) to a position, as well as during the entire period of holding the said positions, including temporary acting positions, shall meet the eligibility and business reputation requirements established by this Law. The insurance supervisory body shall be entitled to assess the compliance of the said persons with the eligibility and business reputation requirements in accordance with the established procedure.

The person referred to in Paragraph 1 of Clause 6¹ hereof, within thirty (30) days following the day of his/her recognition as non-compliant with the eligibility and (or) business reputation requirements established by this Law, shall be entitled to appeal against his/her recognition as non-compliant with the eligibility and (or) business reputation requirements to the complaint commission of the insurance supervisory body (hereinafter referred to as the commission of the insurance supervisory body) in pursuance of Article 60¹ of Federal Law No. 86-FZ, dated 10 July 2002, ‘On the Central Bank of the Russian Federation (Bank of Russia)’.

Within five (5) business days following the day of the adoption by the commission of the insurance supervisory body of the decision to satisfy the complaint referred to in this Clause the insurance supervisory body shall decide on cancellation of its order to replace the person referred to in Paragraph 2 hereof or to refuse to approve him/her to the positions specified in Paragraph 1 of Clause 7² hereof (to vest him/her with temporary acting capacity), if the said order or decision are based solely on the recognition of the person as non-compliant with the eligibility and (or) business reputation requirements, against which the person registered the complaint. The insurance supervisory body

shall notify the said person and the respective insurance company in writing about the decisions made in compliance with this Clause no later than one business day following the day of their adoption.

The person referred to in Paragraph 1 of Clause 6¹ hereof shall be entitled to appeal against his/her recognition as non-compliant with the eligibility and (or) business reputation requirements and the following related orders and decisions issued by the insurance supervisory body in a court of law only after their being appealed in accordance with the procedure stipulated by this Clause.

(Clause 7¹ introduced by Federal Law No. 281-FZ, dated 29 July 2017)

7². The appointment (election) of persons to the positions of the sole executive body, his/her deputy, member of the collegiate executive body, chief accountant, deputy chief accountant, internal auditor (head of internal audit) of an insurance company (including vesting them with temporary acting capacities) shall be allowed upon prior consent of the insurance supervisory body. The insurance company shall be entitled to vest a person with temporary acting capacity before obtaining the consent of the insurance supervisory body to the appointment of a candidate to a vacant position for no longer than two months following the day of dismissal of the approved person from this position.

The procedure for submitting to the insurance supervisory body an application for approval of the candidate, the form of this application, and the list of documents and information attached to it shall be established by the insurance supervisory body.

(Clause 7² introduced by Federal Law No. 281-FZ, dated 29 July 2017)

7³. The insurance supervisory body shall, within thirty (30) business days following the receipt of the application for approval of the candidate and documents stipulated by the insurance supervisory body in accordance with the procedure established by the insurance supervisory body, consent to the appointment (election) to the positions specified in Clause 7² hereof or provide

a motivated refusal in writing. Such refusal shall be allowed if the candidate is non-compliant with the requirements for a candidate for a respective position established by this Law or if incomplete or unreliable information has been provided.

The consent of the insurance supervisory body obtained by the insurance company to the appointment of the candidate to a position may be implemented no later than six months following the day of its issue, unless otherwise stipulated by the insurance supervisory body.

(Clause 7³ introduced by Federal Law No. 281-FZ, dated 29 July 2017)

7⁴. The insurance company shall notify the insurance supervisory body in writing of the following:

1) the appointment (election) of persons to the positions specified in Clause 7² hereof (vesting them with temporary acting capacities) within three (3) business days following the day of their appointment (election) with attached confirming documents;

2) the dismissal of persons from the positions specified in Clause 7² hereof (dismissal from temporary acting positions) no later than one business day following the day of adoption of such decision with attached confirming documents.

(Clause 7⁴ introduced by Federal Law No. 281-FZ, dated 29 July 2017)

7⁵. If the insurance company, after receiving the consent of the insurance supervisory body for the appointment (election) of persons to the positions specified in Clause 7² hereof and till their actual appointment (election) to the said positions (vesting them with temporary acting capacities), discovers the facts that the persons are non-compliant with the eligibility and (or) business reputation requirements established by this Law, the insurance company shall refuse these persons appointment to positions and no later than one business day following the day of discovery of these facts notify the insurance supervisory body of this in writing with the indication of the facts which led to such decision being taken. The decision of the insurance supervisory body on

the consent to the appointment (election) of these persons shall be deemed cancelled.

(Clause 7⁵ introduced by Federal Law No. 281-FZ, dated 29 July 2017)

7⁶. If the insurance company discovers the facts that the persons are non-compliant with the eligibility and (or) business reputation requirements established by this Law following their actual appointment (election) to the positions specified in Clause 7² hereof (vesting them with temporary acting capacities), the insurance company shall:

1) no later than two business day following the day of discovery of these facts notify the insurance supervisory body of this in writing (with the indication of the respective facts);

2) no later than one month following the day of discovery of these facts dismiss the said person from the position (dismiss from temporary acting position) in accordance with the procedure stipulated by labour legislation;

3) notify the insurance supervisory body in writing of the dismissal of the said person from the position (dismissal from temporary acting position) no later than one business day following the date of adoption of such decision, with the confirming documents attached.

(Clause 7⁶ introduced by Federal Law No. 281-FZ, dated 29 July 2017)

7⁷. The insurance company shall notify the insurance supervisory body in writing of the election (termination of powers) of a member of the board of directors (supervisory board), as well as of the appointment (dismissal) of an auditor (head of the audit commission), special officer responsible for the implementation of internal control rules for the purpose of countering the legalisation (laundering) of criminally obtained incomes and the financing of terrorism, executive or chief accountant of the insurance company's branch within three business days from the date of adoption of such decision. The procedure for submitting to the insurance supervisory body the said notification, the form of this notification, and the list of documents and

information attached to it shall be established by the insurance supervisory body.

(Clause 7⁷ introduced by Federal Law No. 281-FZ, dated 29 July 2017)

7⁸. If the insurance company, following the submission of the said notification, discovers the facts that the elected member of the board of directors (supervisory board) is non-compliant with the business reputation requirements established by this Law, the insurance company shall no later than three business days following the day of discovery of these facts notify the insurance supervisory body of this in writing (with the indication of the respective facts) as well as of measures taken by the insurance company to terminate the powers of the said person.

(Clause 7⁸ introduced by Federal Law No. 281-FZ, dated 29 July 2017)

7⁹. If a member of the board of directors (supervisory board) of the insurance company has been convicted by a court of law for premeditated crime or imposed an administrative punishment in the form of disqualification, following the effective court ruling, or made subsidiary liable for the financial institution's obligations or liable for recovery of damages in favour of the financial institution pursuant to the Federal Law 'On Insolvency (Bankruptcy)', the said member of the board of directors (supervisory board) shall be deemed withdrawn as of the effective date of the respective decision of a court of law.

(Clause 7⁹ introduced by Federal Law No. 281-FZ, dated 29 July 2017)

7¹⁰. If the insurance company discovers the facts that the persons are non-compliant with the eligibility and (or) business reputation requirements established by this Law following their actual appointment as an auditor (head of the audit commission), special officer responsible for the implementation of internal control rules for the purpose of countering the legalisation (laundering) of criminally obtained incomes and the financing of terrorism, executive or chief accountant of the insurance company's branch, the insurance company shall:

1) no later than two business day following the day of discovery of these facts notify the insurance supervisory body of this in writing (with the indication of the respective facts);

2) no later than one month following the day of discovery of these facts dismiss the said person from the position (dismiss from temporary acting position) in accordance with the procedure stipulated by labour legislation;

3) notify the insurance supervisory body in writing of the dismissal of the said person from the position (dismissal from temporary acting position) no later than one business day following the date of adoption of such decision, with the confirming documents attached.

(Clause 7¹⁰ introduced by Federal Law No. 281-FZ, dated 29 July 2017)

7¹¹. If the insurance company fails to fulfill obligations stipulated by Sub-clause 3 of Clause 7⁶, Clause 7⁸, and Sub-clause 3 of Clause 7¹⁰ hereof or if the insurance supervisory body independently discovers the facts that the persons referred to in Clauses 7² and 7⁷ hereof are non-compliant with the eligibility and (or) business reputation requirements established by this Law, the insurance supervisory body shall send the insurance company an order requiring to replace them in accordance with the procedure established by the insurance supervisory body.

The receipt of the order of the insurance supervisory body to replace an official shall serve as the ground for dismissal of the employee, if it is impossible to transfer the employee upon his/her written consent to another job corresponding to his/her qualification and business reputation (including to the vacant inferior position or lower-paid job) with the same employer in this locality. The employer shall offer vacancies in other localities, if it is provided for by a collective agreement, labour contract, and other agreements.

(Clause 7¹¹ introduced by Federal Law No. 281-FZ, dated 29 July 2017)

7¹². A person acting as the sole executive body, his/her deputy, member of the collegiate executive body, chief accountant or deputy chief accountant of an insurance company, executive or chief accountant of an insurance

company's branch shall not be entitled to act as the sole executive body, chief accountant in other financial institutions, which are credit institutions, foreign banks, insurance or clearing companies, professional securities market participants, trade organisers in the commodity and (or) financial markets, joint-stock investment funds, specialised depositories of investment funds, unit investment funds, and non-governmental pension funds, organisations engaged in pension provision and pension insurance, management companies of investment funds, unit investment funds, and non-governmental pension funds, microfinance companies, as well as in companies engaged in leasing or being affiliated entities to the insurance company (except for the case when insurance companies relate to each other as a parent company and a subsidiary company).

(Clause 7¹² introduced by Federal Law No. 281-FZ, dated 29 July 2017)

8. A person who has the right, directly or indirectly, or together with other persons connected with him/her via trust management and (or) a simple partnership agreement and (or) an agency agreement and (or) a corporate agreement and (or) other agreement, the subject of which is to exercise the rights confirmed by shares (stakes) of the insurance company, to dispose of over ten (10) per cent of shares (stakes) that form the authorised capital of the insurance company shall not be:

1) a legal entity which has its financial market licence revoked (cancelled) or whose data have been excluded from the register of financial institutions of the respective type;

2) a legal entity if its parent company has the financial market licence revoked (cancelled) for violations of federal laws and Bank of Russia regulations or a legal entity if its parent company's data have been excluded from the register of financial institutions of the respective type for violations of federal laws and Bank of Russia regulations, if less than three (3) years have elapsed from the date of adoption of the said decisions;

3) a person non-compliant with the business reputation requirements established by Clause 6¹ hereof;

4) a legal entity if a person acting as the sole executive body of such legal entity is non-compliant with the business reputation requirements established by Clause 6¹ hereof;

5) a person non-compliant with the financial position requirements established by the insurance supervisory body;

6) a legal entity registered in the states or territories offering preferential tax treatment and (or) not requiring the disclosure and provision of information while conducting financial operations (offshore zones), the list of which shall be approved by the Ministry of Finance of the Russian Federation.

(Clause 8 as amended by Federal Law No. 281-FZ, dated 29 July 2017)

9. No longer valid. – Federal Law No. 281-FZ, dated 29 July 2017.

10. The insurance supervisory body shall be entitled, while implementing its supervisory functions in accordance with the established procedure, to request and receive information on persons who, directly or indirectly (via controlled entities), independently or together with other persons connected with them via trust management and (or) a simple partnership agreement and (or) an agency agreement and (or) a shareholder agreement and (or) other agreement, the subject of which is to exercise the rights confirmed by shares (stakes) of the insurance company, have the right to dispose of over ten (10) per cent of votes out of the voting shares (stakes) that form the authorised capital of the insurance company.

(Clause 10 introduced by Federal Law No. 134-FZ, dated 28 June 2013; as amended by Federal Law No. 281-FZ, dated 29 July 2017)

10¹. The insurance supervisory body shall assess, in accordance with the established procedure, the compliance of persons referred to in Clause 8 hereof with the financial position and business reputation requirements established by Clause 7 of Article 32¹⁰ thereof.

The person referred to in Clause 8 hereof, his/her sole executive body, as well as the person referred to in Sub-clause 2 of Clause 6 of Article 32¹⁰ thereof, within thirty (30) days following the day of his/her recognition as non-compliant with the business reputation requirements established by this Law,

shall be entitled to appeal against his/her recognition as non-compliant with the business reputation requirements to the complaint commission of the insurance supervisory body (hereinafter referred to as the commission of the insurance supervisory body) in pursuance of Article 60¹ of Federal Law No. 86-FZ, dated 10 July 2002, 'On the Central Bank of the Russian Federation (Bank of Russia)'.

Within five (5) business days following the day of the adoption by the commission of the insurance supervisory body of the decision to satisfy the complaint referred to in this Clause the insurance supervisory body shall decide on cancellation of the decision to refuse prior consent (further approval) of the insurance supervisory body to conducting a transaction to obtain over ten (10) per cent of shares (stakes) of the insurance company and (or) a transaction to establish control with regard to shareholders (participants) of the insurance company, or on cancellation of the order to eliminate violations specified in Clause 10² hereof, if the said decision or order are based solely on the recognition of the person as non-compliant with the business reputation requirements, against which the person filed the complaint. The insurance supervisory body shall notify the said person and the respective insurance company in writing about the decisions made in compliance with this Clause no later than one business day following the day of their adoption.

The person referred to in Clause 8 hereof, his/her sole executive body, as well as the person referred to in Sub-clause 2 of Clause 6 of Article 32¹⁰ thereof shall be entitled to appeal against his/her recognition as non-compliant with the business reputation requirements and the following related decisions issued by the insurance supervisory body in a court of law only after their being appealed in accordance with the procedure stipulated by this Clause.

(Clause 10¹ introduced by Federal Law No. 281-FZ, dated 29 July 2017)

10². If the insurance company discovers the facts that the person referred to in Clause 8 hereof is non-compliant with the business reputation requirements or other requirements established by this Law, the insurance

company shall notify the insurance supervisory body of this in writing in accordance with the procedure established by the insurance supervisory body.

If the facts are established that the person referred to in Clause 8 hereof is in an unsatisfactory financial position and (or) non-compliant with the business reputation requirements, the insurance supervisory body shall, in accordance with the established procedure, send the said person an order to eliminate violations and (or) reduce the stake of the said person in the authorised capital of the insurance company to less than ten (10) per cent of shares (stakes) of the insurance company, or to eliminate violations and (or) conduct transaction(s) to terminate control with regard to shareholders (participants) of the insurance company and publish information about the sent order on the official website of the insurance supervisory body no later than the day it is sent. Copies of such order shall be sent to the insurance company as well as other persons, the list of which shall be determined by the insurance supervisory body.

The insurance company shall no later than the day following the day of receipt of a copy of the order notify its shareholders (participants) of the receipt of the copy of such order in accordance with the procedure established by the insurance supervisory body.

The persons referred to in this Clause shall be obliged to fulfill the order within the time limit specified and no later than five (5) days following the day of fulfilment of the order notify the insurance company and the insurance supervisory body of this in accordance with the procedure established by the insurance supervisory body.

The order shall be cancelled by the insurance supervisory body if the requirements specified in it are fulfilled. The insurance supervisory body shall send the statement on the cancellation of the order to the persons, who have received the orders. Copies of the statement on the cancellation of the order shall be sent to the persons, who have received the copies of the order. The form and procedure for sending the order and statement on the cancellation of the order shall be established by the insurance supervisory body. Information

about the cancellation of the order shall be published on the official website of the insurance supervisory body, no later than the day the statement on the cancellation of the order is sent, in accordance with the procedure established by the insurance supervisory body.

The insurance company shall, no later than the day following the day of receipt of a copy of the statement on the cancellation of the order, notify its shareholders (participants) of the receipt of the copy of the statement on the cancellation of the order in accordance with the procedure established by the insurance supervisory body.

If the said persons fail to fulfill the order, the insurance supervisory body shall be entitled to demand in court the termination of the right to directly or indirectly dispose of over ten (10) per cent of shares (stakes) that form the authorised capital of the insurance company (reduction in the stake of the said persons in the authorised capital of the insurance company to less than ten (10) per cent of shares (stakes) of the insurance company, or termination of control with regard to shareholders (participants) of the insurance company).

(Clause 10² introduced by Federal Law No. 281-FZ, dated 29 July 2017)

10³. From the day of publication on the official website of the insurance supervisory body of information about the sent order of the insurance supervisory body pursuant to Clause 10² hereof to the day of publication of information about its cancellation the persons referred to in Clause 10² hereof shall have the right to vote only on shares (stakes) of the insurance company in the amount not exceeding ten (10) per cent of shares (stakes) that form the authorised capital of the insurance company. The other shares (stakes) held by the said persons shall not be considered as voting shares (stakes) and shall not be taken into account while determining the quorum for the general meeting of shareholders (participants) of the insurance company. The limitation established by this Clause shall not apply to cases when the minutes of the general meeting of shareholders (participants) of the insurance company are compiled on the day of publication by the insurance supervisory body of

information about the sent order of the insurance supervisory body or earlier than the said day.

The insurance supervisory body, within a year from the day of sending of the order specified in Clause 10² hereof, shall be entitled to appeal against the decisions of the general meeting of shareholders (participants) of the insurance company adopted in violation of the requirements established by this Clause and the transactions conducted in pursuance thereof, if participation in the voting of shares (stakes) specified in this Clause influenced the decisions adopted by the general meeting of shareholders (participants) of the insurance company.

(Clause 10³ introduced by Federal Law No. 281-FZ, dated 29 July 2017)

11. No longer valid. – Federal Law No. 281-FZ, dated 29 July 2017.

12. The mutual insurance company shall notify the insurance supervisory body in writing of the appointment and dismissal of the persons referred to in Clauses 1, 2, and 3¹ hereof within ten (10) business days from the date of such decision.

(Clause 12 introduced by Federal Law No. 234-FZ, dated 23 July 2013; as amended by Federal Law No. 281-FZ, dated 29 July 2017)

13. The insurance company shall comply with the procedure established by the insurance supervisory body for submitting to the insurance supervisory body and disclosing to an unlimited number of persons information on the structure and composition of its shareholders (participants), including on the persons under whose control or material influence the insurance company is.

Article 32². *No longer valid. – Federal Law No. 12-FZ, dated 7 March 2005.*

Article 32³. Grounds for Refusal to Issue a Licence to an Applicant for a Licence

(introduced by Federal Law No. 172-FZ, dated 10 December 2003)

1. Grounds for refusal to issue a licence to an applicant for a licence shall be as follows:

1) the use by the applicant for a licence that is a legal entity, when applying to the insurance supervisory body for a licence, of the designation that individualises another insurance entity information on which has been entered into the Unified State Register of Insurance Entities. This provision shall not apply to subsidiaries and affiliates of the insurance entity;

(Sub-clause 1 as amended by Federal Laws No. 104-FZ, dated 21 July 2005; No. 146-FZ, dated 23 May 2016)

2) a decision made by the insurance supervisory body with regard to the applicant for a licence for activity specified in Paragraphs 2–6 of Sub-clause 1 of Clause 2 of Article 32 thereof, as of the date when the insurance supervisory body makes a decision to issue the respective licence, to suspend a previously issued licence;

(Sub-clause 2 as amended by Federal Law No. 234-FZ, dated 23 July 2013)

3) non-compliance of the documents submitted by the applicant for a licence with the requirements of this Law and regulations of the insurance supervisory body adopted in pursuance thereof;

(Sub-clause 3 as amended by Federal Laws No. 12-FZ, dated 7 March 2005; No. 234-FZ, dated 23 July 2013)

4) non-compliance of the charter with the requirements of the legislation of the Russian Federation;

(Sub-clause 4 as amended by Federal Law No. 146-FZ, dated 23 May 2016)

5) false information in the documents submitted by the applicant for a licence;

6) non-compliance of the persons referred to in Article 32¹ thereof with the eligibility and other requirements established by this Law, Federal

Law No. 293-FZ, dated 2 November 2013, ‘On Actuarial Activities in the Russian Federation’, and regulations of the insurance supervisory body;

(Sub-clause 6 as amended by Federal Law No. 281-FZ, dated 29 July 2017)

7) *No longer valid. – Federal Law No. 267-FZ, dated 25 December 2012.*

8) unfulfilled order of the insurance supervisory body to ensure financial sustainability and solvency and non-submission of reports under Article 28 thereof by the applicant for a licence for the activities specified in Paragraphs 2–6 of Sub-clause 1 of Clause 2 of Article 32 thereof;

(Sub-clause 8 as amended by Federal Law No. 234-FZ, dated 23 July 2013)

9) insolvency (bankruptcy) (including intentional or fraudulent bankruptcy) of an insurance entity that is a legal entity through the fault of the founder of the applicant for a licence.

10) non-compliance of the person, who has the right, directly or indirectly, or together with other persons connected with him/her via trust management and (or) a simple partnership agreement and (or) an agency agreement and (or) a corporate agreement and (or) other agreement, the subject of which is to exercise the rights confirmed by shares (stakes) of the applicant for a licence, to dispose of over ten (10) per cent of shares (stakes) that form the authorised capital of the applicant for a licence, with the business reputation requirements and other requirements established by this Law.

(Sub-clause 10 introduced by Federal Law No. 281-FZ, dated 29 July 2017)

11) failure to comply with the requirements of this Law regarding the name of the insurance entity.

(Sub-clause 11 introduced by Federal Law No. 251-FZ, dated 29 July 2018)

2. The decision of the insurance supervisory body to refuse to issue a licence shall be sent in writing to the applicant for a licence within five (5) business days from the date of adoption of such decision, indicating the reasons for refusal.

The decision to refuse to issue a licence shall contain the reasons for refusal with a mandatory reference to the violations and shall be made within the term established by this Law.

The decision to refuse to issue a licence shall be sent to the applicant for a licence with delivery notification.

Article 32⁴. *Invalid starting 1 January 2019 – Federal Law No. 251-FZ, dated 29 July 2018.*

Article 32⁵. Duration of a Licence

(introduced by Federal Law No. 172-FZ, dated 10 December 2003)

1. A licence shall be issued with an unlimited validity period and shall be valid from the date following the date when the insurance supervisory body made the decision to issue a licence. The licence shall not be transferable to other persons.

(Clause 1 as amended by Federal Laws No. 287-FZ, dated 29 November 2007; No. 234-FZ, dated 23 July 2013; and No. 251-FZ, dated 29 July 2018)

2. Duration of the licence may be limited in the cases established by federal laws.

(Clause 2 as amended by Federal Law No. 234-FZ, dated 23 July 2013)

3. No longer valid. – Federal Law No. 234-FZ, dated 23 July 2013.

4. The licence shall be terminated in the case of termination of the business of an insurance entity that is an individual entrepreneur or the liquidation or restructuring of an insurance entity that is a legal entity, except for restructuring in the form of merger or spinoff. The licence of an insurance entity that is a legal entity which merges with another legal entity or from which another legal entity is spun off shall not be terminated.

(Clause 4 introduced by Federal Law No. 287-FZ, dated 29 November 2007)

5. The licence of an insurance entity that is a legal entity created as a result of restructuring in the form of transformation shall not be terminated,

provided that the newly emerged legal entity complies with the requirements of the legislation of the Russian Federation. The insurance supervisory body shall replace the form of the licence of an insurance entity that is a legal entity created as a result of restructuring in the form of transformation according to the procedure and within the timeframes established by the insurance supervisory body.

(Clause 5 introduced by Federal Law No. 287-FZ, dated 29 November 2007; as amended by Federal Law No. 251-FZ, dated 29 July 2018)

Article 32⁵⁻¹. Measures Taken by the Insurance Supervisory Body

(introduced by Federal Law No. 87-FZ, dated 23 April 2018 – from 01 January 2019)

1. Upon discovery of a violation of the insurance legislation, the insurance supervisory body shall issue an order for its elimination (hereinafter, the order) specifying the term for its fulfilment.

2. The order is issued to an insurance entity in the following cases:

1) if the insurance entity conducts activity prohibited by Russian laws;

2) if the insurance entity violates requirements established by the insurance legislation, in particular:

if the insurer fails to comply with the requirements to financial stability and creditworthiness to the extent of forming and placing insurance reserves, other funds guaranteeing the performance of insurance payments;

if the insurer fails to comply with the established requirements to the regulatory capital to liabilities ratio, other established requirements to ensure its financial stability and creditworthiness, including if the parent insurance company of an insurance group fails to comply with the above requirements on a consolidated basis;

if, as of the end of the reporting period, the insurer's capital falls below its paid-up authorised capital as set in its charter;

if the insurer fails to comply with the procedure and the terms of investing the equity capital;

3) if the insurance entity fails to comply with the requirements to provision of reports to the insurance supervisory body and the financial market self-regulatory organisation and their publishing in accordance with this Law;

4) if the insurance entity fails to provide documents requested by the insurance supervisory body as part of control and oversight;

5) if it is discovered that the insurance entity has provided the insurance supervisory body with incomplete and/or unreliable reports or other information requested by the insurance supervisory body, including the financial rehabilitation plan;

6) if the insurance entity fails to timely provide the insurance supervisory body with information on amendments to documents specified in Clause 11 of Article 23 of this Law (with the attachment of documents confirming such amendments);

7) if the insurance entity is not present at the address specified in the unified state register of legal entities (legal address), except when the insurance supervisory body takes the decision provided for in Subclause 9 of Clause 2 of Article 32⁸ of this Law;

8) in other cases provided for by this Law.

3. Within the timeframe stipulated in the order, the insurance entity shall provide the insurance supervisory body with documents confirming the elimination of the identified violations.

These documents shall be reviewed by the insurance supervisory body within 30 days from the date of receipt of all documents confirming that the insurance entity has fulfilled the order in full.

Timely submission of documents confirming the elimination of the identified violations by the insurance entity shall constitute grounds to recognise the order as fulfilled. The insurance supervisory body shall inform the insurance entity whether the order has been recognised as fulfilled or not

within the timeframe for reviewing the submitted documents as set in Paragraph 2 hereof. If it is further discovered that the insurance entity has submitted documents with unreliable information, this fact will constitute grounds for restricting or suspending its licence.

Appealing the order issued in cases provided for by Clause 2 of this Article by the insurance entity in court shall not suspend it.

4. Unless otherwise provided by this Law, in case of a repeated violation by the insurance entity during any one year of requirements for financial stability and creditworthiness, or failure to duly or timely fulfil an order of the insurance supervisory body, or submission of unreliable information to the insurance supervisory body, or performance of actions threatening the rights and legitimate interests of policyholders, insured entities, beneficiaries and/or the stability of the financial (insurance) market, the insurance supervisory body may:

- 1) impose restrictions on performing certain deals
- 2) prohibit performing certain deals
- 3) restrict the licence
- 4) suspend the licence.

5. The decision on imposing a certain measure shall contain grounds for its application.

The procedure for the application of measures provided for in this Article shall be established by a regulation of the insurance supervisory body.

Article 32⁵⁻². Restriction and/or Prohibition of Certain Deals

(introduced by Federal Law No. 87-FZ, dated 23 April 2018 – from 01 January 2019)

1. In cases provided for by Clause 4 of Article 32⁵⁻¹ of this Law, the insurance supervisory body may impose restrictions on and/or prohibit performing certain deals, in particular:

related to renting, pledging, making a contribution to the authorised capital of third parties or any other disposal of the property of the insurance company;

related to receiving loans (credits), assignment of claims and transfer of debt, waiver of debt, novation, or compensation;

related to financial operations with securities and derivatives.

The insurance supervisory body may restrict the insurance company from performing deals indicated herein including based on their maximum price.

2. The restriction and/or prohibition to perform deals indicated in Clause 1 of this Article shall be imposed for no longer than three months and may be extended for two more months based on a decision of the insurance supervisory body.

The insurance supervisory body shall restrict and/or prohibit to perform deals indicated in Clause 1 of this Article by issuing an order.

Article 32⁶. Limitation or Suspension of a Licence

(as amended by Federal Law No. 87-FZ, dated 23 April 2018)

1. In the cases provided for by Clause 4 of Article 325¹ thereof and Clauses 4 and 5 hereof, as well as in the case of the insurance entity's evasion of receipt of an order, the insurance supervisory body shall be entitled to limit or suspend the licence according to the procedure established by this Law.

2. The limitation of the insurer's licence shall mean a ban on concluding insurance contracts for certain types of insurance and reinsurance contracts, as well as the introduction of amendments to the respective contracts that entail an increase in the liabilities of the insurer.

The limitation of the insurer's licence shall be established for a period of up to one year.

3. The suspension of an insurance entity's licence shall mean a ban on concluding insurance contracts, reinsurance contracts, or contracts for insurance broker services, as well as the introduction of amendments to the respective contracts that entail an increase in the liabilities of the insurance entity.

The suspension of an insurance entity's licence shall be established for a period of up to one year.

4. An additional ground for limiting an insurance company's licence for the relevant type of insurance shall be the exclusion of the insurance company from the professional association of insurers established in accordance with the federal law on a specific type of compulsory insurance.

If the specified professional association of insurers makes a decision to exclude the insurance company from its membership, the professional association of insurers shall notify the insurance supervisory body of this for the latter to adopt a decision to limit the insurance company's licence for the respective type of insurance.

5. Additional grounds for suspending an insurance entity's licence shall be:

exclusion of the insurance entity from the self-regulatory organisation in the financial market;

repeated violations during one year by the insurance entity of the requirements established by Articles 6 and 7 (except for Clause 3 of Article 7) of Federal Law No. 115-FZ, dated 7 August 2001, 'On Countering the Legalisation (Laundering) of Criminally Obtained Incomes and the Financing of Terrorism'.

If a self-regulatory organisation in the financial market makes a decision to exclude the insurance entity from its membership, the self-regulatory organisation in the financial market shall notify the insurance supervisory body of this for the latter to adopt a decision to suspend the insurance entity's licence.

6. The insurance supervisory body's decision on the limitation or suspension of the licence shall be published on the official website of the insurance supervisory body on the next day after the adoption of such decision and shall come into force from the date of its publication on the official website of the insurance supervisory body, unless otherwise established by the legislation of the Russian Federation. The insurance supervisory body's decision on the limitation or suspension of the licence shall be sent to the insurance entity immediately via the insurance entity's personal account on the official website of the insurance supervisory body, as well as in writing within five (5) business days from the date of entry into force of such decision, indicating the reasons for the limitation or suspension of the licence.

7. During the period of limitation or suspension of the licence, a change in the name (brand name), location, or postal address of the insurance entity, opening representative offices and branches, as well as restructuring of the insurance entity, shall be allowed with the prior permission of the insurance supervisory body issued in accordance with the procedure established by the insurance supervisory body. The refusal of the insurance supervisory body to issue the prior permission shall be substantiated.

Article 32⁷. Renewal of a Licence

(introduced by Federal Law No. 172-FZ, dated 10 December 2003)

1. The renewal of a licence after its limitation or suspension shall mean the restoration of the right of the insurance entity to conduct the activities for which the licence has been issued in full.

2. The grounds for the renewal of the licence after its limitation or suspension shall be the full elimination by the insurance entity of violations revealed by the insurance supervisory body within the prescribed period, or the termination of activities that threaten the rights and legitimate interests of

policyholders, insured persons or beneficiaries and (or) threaten the stability of the financial (insurance) market if such activities were the reason for limiting or suspending the licence.

(Clause 2 as amended by Federal Law No. 87-FZ, dated 23 April 2018)

3. The decision to renew the licence of the insurance entity shall be published on the official website of the insurance supervisory body on the following day after its adoption and shall enter into force from the date of its publication on the official website of the insurance supervisory body. The decision to renew the licence shall be sent to the insurance entity immediately via the insurance entity's personal account on the official website of the insurance supervisory body, as well as in writing within five (5) business days from the date of adoption of such a decision.

(Clause 3 as amended by Federal Law No. 87-FZ, dated 23 April 2018)

Article 32⁸. Licence Revocation. Termination of the Insurance Activity of an Insurance Entity or its Liquidation in Connection with Licence Revocation

(as amended by Federal Laws No. 12-FZ, dated 7 March 2005; and No. 87-FZ, dated 23 April 2018)

1. The grounds for the termination of the insurance activity of the insurance entity shall be a court ruling or a decision of the insurance supervisory body on the revocation of the licence, including a decision made on the application of the insurance entity.

2. The insurance supervisory body shall be entitled to make a decision to revoke a licence from an insurance entity on any of the following grounds:

1) violation of the requirements established by the insurance supervisory body in accordance with Clause 5 of Article 26 thereof for the list of assets eligible for investment and (or) the procedure for investing insurance reserves, if the amount of assets in which the insurance reserves are invested and which do not meet the requirements for the list and (or) procedure exceeds 20 per cent

of the amount of insurance reserves that must be formed in accordance with Clause 2 of Article 26 thereof, and if this violation threatens the rights and legitimate interests of policyholders, insured entities or beneficiaries and (or) threatens the stability of the financial (insurance) market, provided that in the course of one year the insurance supervisory body applied the measures provided for in Paragraphs 2, 3 and (or) 5 of Sub-clause 2 of Clause 2 of Article 32⁵⁻¹ thereof to the insurance entity;

2) violation of the requirements established by the insurance supervisory body in accordance with Clause 2 of Article 25 thereof for the list of assets eligible for investment and (or) the procedure for investing equity capital of the insurance company, if the amount of assets in which the equity capital of the insurance company is invested and which do not meet the requirements for the list and (or) procedure exceeds 20 per cent of the amount of the equity capital of the insurance company determined by the methodology established by the insurance supervisory body in accordance with Clause 2 of Article 25 thereof, and if this violation threatens the rights and legitimate interests of policyholders, insured entities or beneficiaries and (or) threatens the stability of the financial (insurance) market, provided that in the course of one year the insurance supervisory body applied the measures provided for in Paragraphs 2, 3 and (or) 5 of Sub-clause 2 of Clause 2 of Article 32⁵⁻¹ thereof to the insurance company;

3) violation by more than 20 per cent of the minimum required equity capital to liabilities ratio established by the insurance supervisory body in accordance with Clause 41 of Article 25 thereof, if this violation threatens the rights and legitimate interests of policyholders, insured entities or beneficiaries and (or) threatens the stability of the financial (insurance) market, provided that in the course of one year the insurance supervisory body applied the measures provided for in Paragraphs 2, 3 and (or) 5 of Sub-clause 2 of Clause 2 of Article 32⁵⁻¹ thereof;

4) violation of the rules of forming insurance reserves approved by the insurance supervisory body in accordance with Clause 2 of Article 26 thereof, resulting in the understatement of the amount of insurance reserves by more than 20 percent, if this violation threatens the rights and legitimate interests of policyholders, insured entities or beneficiaries and (or) threatens the stability of the financial (insurance) market, provided that in the course of one year the insurance supervisory body applied the measures provided for in Paragraphs 2, 3 and (or) 5 of Sub-clause 2 of Clause 2 of Article 32⁵⁻¹ thereof;

5) repeated violation by the insurer of the insurance legislation requirements, except for requirements regarding financial stability and solvency, if in the course of one year the insurance supervisory body applied the measures provided for in Article 32⁵⁻¹ thereof on the said grounds;

6) repeated, in the course of one year, failure to submit statements or repeated, in the course of one year, violation by more than fifteen (15) business days of the deadline for submission of statements provided for by this Law, other federal laws, and regulations of the insurance supervisory body;

7) discovery of cases of submission of materially unreliable statements;

8) if the insurance entity has not started the licenced activity within one year from the date of obtaining the licence, or does not conduct the licenced activity during the financial year;

9) the insurance entity is absent at the address indicated in the Unified State Register of Legal Entities (corporate address);

10) repeated violation in the course of one year by the insurance entity of the requirements set out by Articles 6 and 7 (except for Clause 3 of Article 7) of Federal Law No. 115-FZ, dated 7 August 2001, 'On Countering the Legalisation (Laundering) of Criminally Obtained Incomes and the Financing of Terrorism', provided that in the course of one year the licence of the insurance entity was suspended on the grounds provided for by Paragraph 3 of Clause 5 of Article 32⁶ thereof.

(Clause 2 as amended by Federal Law No. 87-FZ, dated 23 April 2018)

2¹. The insurance supervisory body shall make a decision to revoke a licence from an insurance entity in the following cases:

1) if the insurance entity fails to timely eliminate the violations of the insurance legislation of the Russian Federation which were the grounds for limitation or suspension of its licence;

2) if the insurance entity fails to renew its membership in the self-regulatory organisation in the financial market within three (3) months from the date of suspension of its licence on the grounds provided for in Paragraph 2 of Clause 5 of Article 32⁶ thereof;

3) if the insurance company fails to renew its membership in the professional association of insurers within three (3) months from the date of limitation of its licence on the grounds provided for in Paragraph 1 of Clause 4 of Article 32⁶ thereof;

4) if the insurance company fails to increase its authorised capital to comply with the increased minimum insurer's authorised capital requirements in accordance with Paragraph 8 of Clause 3 of Article 25 thereof upon the expiration of the transition period established by the respective federal law;

5) if the insurance entity fails to fulfil the order of the insurance supervisory body on the limitation and (or) prohibition of certain transactions;

6) if the insurance supervisory body makes the decision to satisfy a petition of the provisional administration of the insurance company submitted in accordance with Clause 22 hereof;

7) if the insurance entity on its own initiative submitted a written application to the insurance supervisory body on refusal to carry out the licensed activities.

(Clause 2¹ as amended by Federal Law No. 87-FZ, dated 23 April 2018)

2². The provisional administration shall submit to the insurance supervisory body a petition to revoke the licence if it is not possible to restore the solvency of the insurance company.

(Clause 2² introduced by Federal Law No. 87-FZ, dated 23 April 2018).

3. The decision of the insurance supervisory body on the revocation of the licence shall be published on the official website of the insurance supervisory body on the next day after the adoption of such decision and shall come into force as of the date of its publication on the official website of the insurance supervisory body, unless otherwise established by the legislation of the Russian Federation. The decision of the insurance supervisory body on the revocation of the licence shall be sent to the insurance entity in writing within five (5) business days from the date of entry into force of such decision, indicating the reasons for the revocation of the licence. A copy of the decision on the revocation of the licence shall be sent to the relevant executive body in accordance with the legislation of the Russian Federation.

(Clause 3 as amended by Federal Law No. 222-FZ, dated 23 June 2016)

4. From the date of entry into force of the insurance supervisory body's decision on the revocation of the licence, the insurance entity shall neither be entitled to enter into insurance contracts, reinsurance contracts, or contracts for provision of insurance broker services, nor to make amendments to the respective contracts that entail an increase in the liabilities of the insurance entity.

Simultaneously with the revocation of the licence (except for the case provided for by this Article and cases when a provisional administration has been appointed before or on the date of adoption of the decision on suspension of the licence, and one of the bankruptcy procedures has been applied in respect of the insurance company) the insurance supervisory body shall appoint a provisional administration of the insurance company on the grounds and according to the procedure stipulated by the Federal Law 'On Insolvency (Bankruptcy)'.

(Paragraph introduced by Federal Law No. 65-FZ, dated 22 April 2010)

When the insurance company makes a decision on the refusal to conduct insurance activity, a provisional administration shall not be appointed to the insurance company in connection with the licence revocation, if, before

notifying the insurance supervisory body of its refusal to conduct insurance activity, the insurance company:

(Paragraph introduced by Federal Law No. 65-FZ, dated 22 April 2010)

fulfilled its liabilities under insurance contracts or reinsurance contracts and has paid insurance indemnities in respect of insured events;

(Paragraph introduced by Federal Law No. 65-FZ, dated 22 April 2010)

transferred its liabilities assumed under insurance contracts (the insurance portfolio) and (or) terminated insurance contracts and reinsurance contracts early;

(Paragraph introduced by Federal Law No. 65-FZ, dated 22 April 2010)

submitted documents confirming the fulfilment of these liabilities to the insurance supervisory body.

(Paragraph introduced by Federal Law No. 65-FZ, dated 22 April 2010)

4¹. In connection with the revocation of the licence, insurance contracts and reinsurance contracts shall be terminated after forty-five (45) days from the date of entry into force of the insurance supervisory body's decision on the revocation of the licence, except for insurance contracts and reinsurance contracts for types of insurance which in accordance with federal laws provide for compensation payments at the expense of professional associations of insurers or other organisations that are responsible for compensation payments in accordance with federal laws. In the case of early termination of an insurance contract on the aforementioned grounds, a part of the insurance premium shall be returned to the policyholder proportionally to the difference between the initial period of duration of the insurance contract and the actual period of its duration, or the cash surrender value under a life insurance contract shall be paid, unless otherwise established by the legislation of the Russian Federation.

(Clause 4¹ introduced by Federal Law No. 222-FZ, dated 23 June 2016)

5. Before the expiration of six (6) months after the entry into force of the insurance supervisory body's decision on the revocation of the licence, the insurance entity shall:

1) make a decision on the termination of insurance activity in accordance with the legislation of the Russian Federation;

2) fulfil its liabilities under insurance (reinsurance) contracts, including payment of insurance indemnities in respect of insured events;

3) terminate contracts for provision of insurance broker services.

(Sub-clause 3 as amended by Federal Law No. 222-FZ, dated 23 June 2016)

6. Within one (1) business day following the day of entry into force of the insurance supervisory body's decision on the revocation of the licence, the insurer shall notify policyholders (cedents) and reinsurers under insurance contracts and reinsurance contracts which are to be terminated in accordance with Clause 4¹ hereof about the revocation of the licence as well as the fact and date of the early termination of these contracts.

In this case, the notification may also be made by publication of this information in printed periodicals the circulation of each of which is no less than ten thousand (10,000) copies and which are distributed in the territory of the insurer's activity, by publication on the official website of the insurer, and by sending SMS messages and (or) e-mail messages to policyholders to mobile phone numbers and e-mail addresses respectively, specified by policyholders upon the conclusion of insurance contracts.

(Clause 6 as amended by Federal Law No. 222-FZ, dated 23 June 2016)

7. No longer valid. – Federal Law No. 222-FZ, dated 23 June 2016.

8. Until the obligations under Clauses 5 and 6 hereof are fulfilled, the insurance entity shall submit accounting (financial) statements to the insurance supervisory body on a quarterly basis.

(Clause 8 as amended by Federal Laws No. 234-FZ, dated 23 July 2013; No. 222-FZ, dated 23 June 2016)

9. Within six (6) months from the date of entry into force of the insurance supervisory body's decision on the revocation of the licence, the insurance entity shall submit documents to the insurance supervisory body confirming the execution of the obligations provided for in Clauses 5 and 6 hereof:

(Paragraph as amended by Federal Law No. 222-FZ, dated 23 June 2016)

1) a decision on the termination of insurance activity adopted by the management body of an insurance entity that is a legal entity authorised to adopt such decisions in accordance with the charter or by an insurance entity registered as an individual entrepreneur in accordance with the legislation of the Russian Federation;

(Sub-clause 1 as amended by Federal Law No. 146-FZ, dated 23 May 2016)

2) documents containing information about the presence or absence of written claims of policyholders (beneficiaries) for the execution or early termination of liabilities under insurance (reinsurance) contracts or contracts for provision of insurance broker services as well as documents confirming the transfer of liabilities assumed under insurance contracts (the insurance portfolio);

3) accounting (financial) statements marked by a tax authority and an auditor's report as of the nearest reporting date within six (6) months from the date of entry into force of the insurance supervisory body's decision on the revocation of the licence;

(Sub-clause 3 as amended by Federal Law No. 234-FZ, dated 23 July 2013)

4) the original licence.

9¹. Termination of the insurance activity of a mutual insurance company or its liquidation in connection with the revocation of its licence shall be performed in view of the specifics provided for by Clauses 9²–9⁶ hereof.

(Clause 9¹ introduced by Federal Law No. 287-FZ, dated 29 November 2007)

9². From the date of entry into force of the insurance supervisory body's decision on the revocation of the licence, a mutual insurance company providing insurance of the property interests of its members directly under the charter of the company shall not be entitled to accept new members or amend the insurance rules.

(Clause 9² introduced by Federal Law No. 287-FZ, dated 29 November 2007)

9³. Within six (6) months from the date of entry into force of the insurance supervisory body's decision on the revocation of the licence, the mutual insurance company shall:

1) make a decision on the liquidation of the mutual insurance company in accordance with the legislation of the Russian Federation;

2) fulfil its liabilities under insurance (reinsurance) contracts, including payment of insurance indemnities in respect of insured events;

3) terminate insurance (reinsurance) contracts.

(Clause 9³ introduced by Federal Law No. 287-FZ, dated 29 November 2007)

9⁴. Within six (6) months from the date of entry into force of the insurance supervisory body's decision on the revocation of the licence, the insurance entity shall submit documents to the insurance supervisory body confirming the execution of the obligations provided for in Clause 9³ hereof:

1) a decision on the liquidation of the mutual insurance company adopted by the general meeting of the mutual insurance company;

2) documents containing information about the presence or absence of written claims of policyholders (beneficiaries) for the execution or early termination of liabilities under insurance (reinsurance) contracts;

3) accounting (financial) statements marked by a tax authority;

(Sub-clause 3 as amended by Federal Law No. 234-FZ, dated 23 July 2013)

4) the original licence.

(Clause 9⁴ introduced by Federal Law No. 287-FZ, dated 29 November 2007)

9⁵. The insurance (reinsurance) obligations of a mutual insurance company shall not be transferred to another insurer.

(Clause 9⁵ introduced by Federal Law No. 287-FZ, dated 29 November 2007)

9⁶. Until the obligations under Clause 9³ hereof are fulfilled, the mutual insurance company shall submit accounting (financial) statements to the insurance supervisory body on a quarterly basis.

(Clause 9⁶ introduced by Federal Law No. 287-FZ, dated 29 November 2007, as amended by Federal Law No. 234-FZ, dated 23 July 2013)

10. If an insurance entity continues to conduct insurance activity (with the exception of the obligations provided for by Sub-clause 2 of Clause 5, Clause 6 and Sub-clauses 2 and 3 of Clause 9³ hereof), the insurance supervisory body

shall file a claim in a court of law for the liquidation of an insurance entity that is a legal entity or for the termination of the activity of an individual insurance entity as an individual entrepreneur.

(Clause 10 as amended by Federal Laws No. 287-FZ, dated 29 November 2007; No. 222-FZ, dated 23 June 2016)

11. An insurance entity that is a legal entity or an individual entrepreneur may not make a decision on the liquidation or termination of its activities as an individual entrepreneur until the revocation of all the licences issued by the insurance supervisory body and the fulfilment of obligations provided for by this Article.

(Clause 11 introduced by Federal Law No. 251-FZ, dated 29 July 2018)

12. After the revocation of all the licences issued to the legal entity in accordance with this Law and the fulfilment of its obligations provided for by this Article, the legal entity shall within fifteen (15) business days make a decision to exclude from its name the words ‘insurance’, ‘reinsurance’, ‘mutual insurance’, ‘insurance broker’, and derivatives of such words and phrases, and to make within ninety (90) business days from the date of revocation of all the licences issued by the insurance supervisory body the corresponding amendments to the charter or to make a decision on its liquidation, and to notify the insurance supervisory body of the decision adopted no later than five (5) business days from the date of adoption of the respective decision.

If, after the revocation of all the licences issued to the legal entity in accordance with this Law and the fulfilment of its obligations provided for by this Article, the legal entity fails to fulfil the obligations provided for in Paragraph 1 hereof, as well as Clause 3 of Article 32³ thereof, the insurance supervisory body shall apply to the court of law for the liquidation of the legal entity.

(Clause 12 introduced by Federal Law No. 251-FZ, dated 29 July 2018)

Article 32⁹. Types of Insurance

(introduced by Federal Law No. 172-FZ, dated 10 December 2003, as amended by Federal Law No. 234-FZ, dated 23 July 2013)

1. In the Russian Federation, the following types of insurance shall be provided:

(Paragraph as amended by Federal Law No. 234-FZ, dated 23 July 2013)

- 1) life insurance against death, living to a certain age or period, or the occurrence of another event;
- 2) pension insurance;
- 3) life insurance with periodic insurance payments (rents, annuities) and (or) participation of the policyholder in the investment income of the insurer;
- 4) accident and health insurance;
- 5) medical insurance;
- 6) insurance of land vehicles (except railway vehicles);
- 7) insurance of railway vehicles;
- 8) aircraft insurance;
- 9) watercraft insurance;
- 10) cargo insurance;
- 11) agricultural insurance (crop insurance, perennial plants insurance, livestock insurance);
- 12) insurance of the property of legal entities, except for vehicles and agricultural insurance;
- 13) insurance of the property of citizens, except for vehicles;
- 14) third party liability insurance of vehicle owners;
- 15) third party liability insurance of aircraft owners;
- 16) third party liability insurance of watercraft owners;
- 17) third party liability insurance of railway vehicle owners;
- 18) third party liability insurance of organisations operating hazardous facilities;

19) third party liability insurance against damage caused by products, works, or services;

20) third party liability insurance against damage;

21) contract performance insurance;

22) insurance of entrepreneurial risks;

23) insurance of financial risks;

24) other types of insurance stipulated by federal laws on specific types of compulsory insurance.

(Sub-clause 24 introduced by Federal Law No. 267-FZ, dated 25 December 2012)

2. The insurance company shall notify the insurance supervisory body in writing of the types of insurance provided for in this Article that it intends to provide (voluntary life insurance, voluntary personal insurance, excluding voluntary life insurance, voluntary property insurance) according to the procedure and within the timeframes established by the insurance supervisory body.

The insurer shall submit to the insurance supervisory body the insurance rules for the types of insurance it has adopted, the methodology for calculation of insurance rates, the structure of tariff rates, and regulations on forming insurance reserves in accordance with the procedure and within the timeframes established by the insurance supervisory body.

(Paragraph as amended by Federal Law No. 251-FZ, dated 29 July 2018)

The insurer shall notify the insurance supervisory body in writing about changes made to the documents referred to in this Clause and at the same time submit the documents confirming these changes according to the procedure and within the timeframes established by the insurance supervisory body.

If federal law stipulates that the insurance rules for certain types of insurance, the insurance rates and methodology for their calculation, and the structure of the tariff rates for these types of insurance shall be established by the Government of the Russian Federation, an authorised federal executive body, or the insurance supervisory body and shall be mandatory for insurers,

the insurer shall not submit the insurance rules, the methodology for calculation of insurance rates, the structure of tariff rates, and changes made to these documents to the insurance supervisory body.

(Paragraph introduced by Federal Law No. 223-FZ, dated 21 July 2014; as amended by Federal Law No. 251-FZ, dated 29 July 2018)

(Clause 2 as amended by Federal Law No. 234-FZ, dated 23 July 2013)

3. *No longer valid. – Federal Law No. 234-FZ, dated 23 July 2013.*

4. For the types of insurance stipulated by Sub-clauses 10–12, 18, 21, and 22 of Clause 1 hereof, and if the insurance contract or the insurance rules provide for the inspection of the insured property or the examination of the insured person when concluding an insurance contract or contain conditions other than those established by the minimum (standard) requirements for the conditions and procedure for the provision of certain types of voluntary insurance, if they are established by regulations of the insurance supervisory body, insurance contracts shall be not concluded in the form of electronic documents according to the procedure stipulated by Article 6¹ thereof.

(Paragraph as amended by Federal Law No. 194-FZ, dated 23 June 2016)

The conclusion of contracts of compulsory insurance in accordance with the procedure established by Article 6¹ thereof shall be allowed if it is provided for by federal laws on specific types of compulsory insurance.

(Clause 4 introduced by Federal Law No. 149-FZ, dated 4 June 2014)

Article 33. Non-disclosure of Commercial and Other Secrets Protected by Law by Officials of the Insurance Supervisory Body

(as amended by Federal Law No. 172-FZ, dated 10 December 2003)

Officials of the insurance supervisory body shall not be entitled to disclose in any form information constituting a commercial secret or other secret of an insurance entity protected by law, except for cases stipulated by the legislation of the Russian Federation.

Chapter V. FINAL PROVISIONS

Article 34. Insurance of Foreign Citizens, Stateless Persons, and Foreign Legal Entities in the Russian Federation

Foreign citizens, stateless persons, and foreign legal entities in the Russian Federation shall exercise the right to insurance coverage on an equal basis with citizens and legal entities of the Russian Federation.

Article 35. Settlement of Disputes

(as amended by Federal Law No. 104-FZ, dated 21 July 2005)

Disputes related to insurance, disputes about the right of an insurance entity to use a name (company name), or disputes related to the actions of the insurance supervisory body and its officials shall be settled by a court of law, an arbitration court, or an arbitration tribunal in accordance with their competence.

Article 36. International Treaties

If international treaties of the Russian Federation or the former Soviet Union establish rules other than those contained in the insurance legislation of the Russian Federation, the rules of the international treaty shall be applied.

President of the Russian Federation

Boris YELTSIN

Moscow, the House of Soviets of Russia
27 November 1992
No. 4015-1