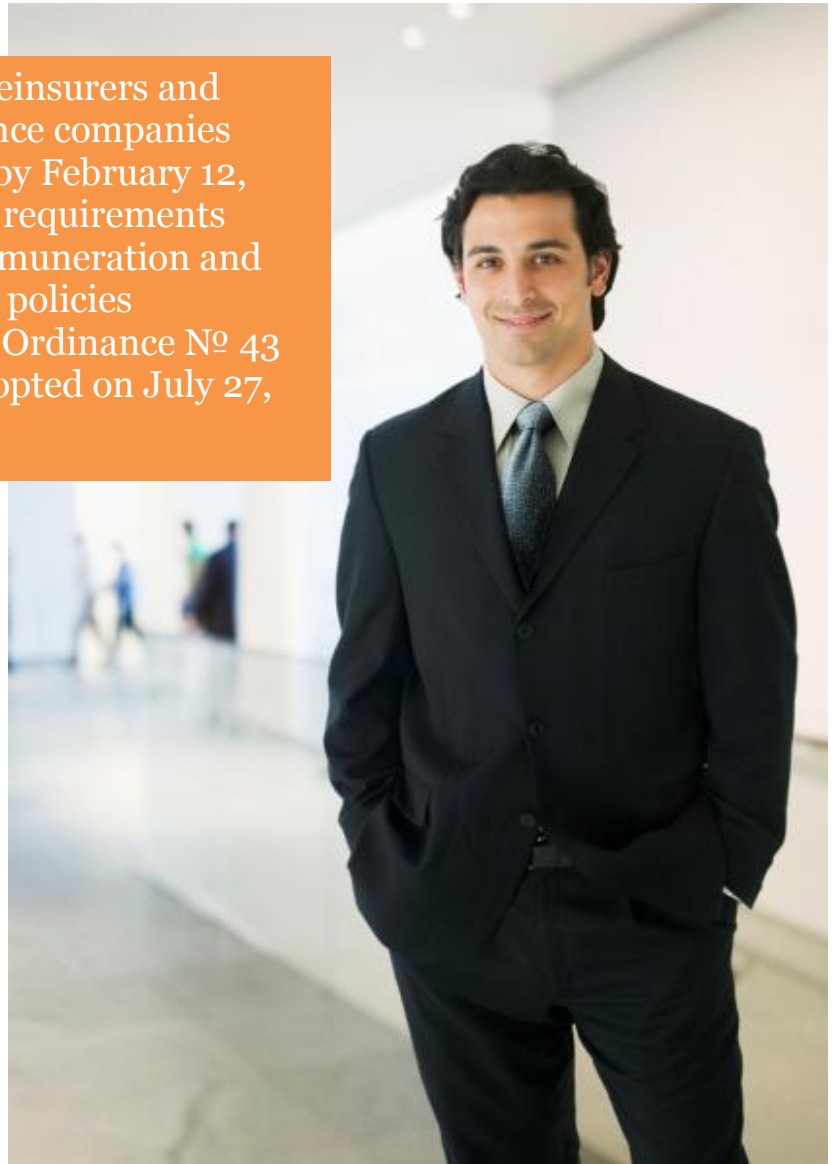


Remuneration policy

Recent requirements for insurers,
reinsurers and health insurance
companies

November 2011

All insurers, reinsurers and health insurance companies must comply by February 12, 2012 with the requirements concerning remuneration and remuneration policies introduced in Ordinance № 43 of the FSC adopted on July 27, 2011.



Which entities (hereinafter referred to as "Relevant Entities") must comply with Ordinance No 43?

- Insurers licensed to conduct insurance business under the Insurance Code;
- Reinsurers, licensed to conduct insurance business under the Insurance Code;
- Branches of insurers from third countries holding a license to operate under the Insurance Code;
- Health insurance companies licensed to operate under the Health Insurance Act.

What are the basic requirements towards Relevant Entities under the Ordinance No 43?

- Relevant Entities must adopt, by 12 February 2012, and implement a remuneration policy that covers all forms of remuneration such as salaries and other financial and/ or fringe benefits, including benefits related to voluntary retirement insurance and/ or health insurance;
- Corporate bodies which adopt and implement a remuneration policy are: the supervisory board (in the case of a two-tier management system), or the board of directors (one-tier of management), or the remuneration committee (for Relevant Entities whose securities are admitted to trading on a regulated market); or the control board (for insurance cooperatives);
- At least once a year the implementation of the policies and procedures for remuneration is to be subjected to independent internal review;
- Clear remunerations determination procedures should be available to concerned employees; the determination of remuneration must be properly recorded;
- Relevant Entities are required to disclose information on the remuneration policy and any subsequent changes thereof, in a clear and concise statement within the periodic disclosures in the annual financial statements or in another appropriate form.

What are the categories of personnel covered by the remuneration policy?

- Employees having a management role – members of the board of directors, the supervisory board, the control board, and

other senior officers falling within the meaning of Article 57, paragraph 1, item 1 of the Insurance Code;

- Employees whose work is related to the taking of risks;
- Responsible actuaries, actuaries and employees who perform managerial functions;
- All other employees whose salaries are commensurate to the salaries of the employees listed above and whose activities significantly affect the risk profile of the Relevant Entity.

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