

Pursuant to Article 7, paragraph (2), indent 7), Article 9, paragraph (1), indent 2), Article 52a, paragraph (5), and Article 56, paragraph (9) of the Law on Insurance Companies (Official Gazette of the Republika Srpska, 17/05, 1/06, 64/06, 74/10, 47/17 and 58/19), and Article 18, paragraph (1), point 2) of the Statute of the Insurance Agency of the Republika Srpska (Official Gazette of the Republika Srpska, 2/15, 76/16 and 89/19), the Management Committee of the Insurance Agency of the Republika Srpska adopted at the session held on 15 March 2021 the following:

RULEBOOK

ON AMENDMENTS TO THE RULEBOOK ON THE INVESTMENT OF ASSETS OF INSURANCE COMPANIES

Article 1

In Article 10, paragraph (1), point 2) of the Rulebook on the investment of assets of insurance companies (Official Gazette of the Republika Srpska, 117/20 – hereinafter referred to as: Rulebook), after the words: ‘life insurances’, the word ‘and’ shall be deleted and a comma shall be added.

In the same Article of the Rulebook, in paragraph (1), point 3), after the words ‘the decisions of the Agency’, the period shall be deleted and the word ‘and’ shall be added.

In the same Article of the Rulebook, in paragraph (1), after point 3), point 4) shall be added and shall read as follows:

‘4) claims for accrued premiums of unexpired non-life insurances, if the part of the premium which is due has been paid within the maturity period.’

In the same Article of the Rulebook, after paragraph (5), new paragraphs (6) and (7) shall be added and shall read as follows:

‘(6) For assets referred to in paragraph (1), point 4) of this Article, which are used for coverage of technical provisions, the insurance company shall keep a separate record, which shall contain data on the name of the insured person, policy number, invoice number (for legal persons), total premium, the paid portion of the premium due, unearned premium, the amount of unearned premium chargeable to the reinsurer, and the amount of premium which is not due.

(7) The claim for the accrued premium of unexpired non-life insurances used as an instrument for coverage of technical provisions may not exceed the unearned premium net of reinsurance.’

The previous paragraph (6) shall become paragraph (8).

Article 2

In Article 11, paragraph (1), point 15) of the Rulebook, after the words ‘of the Agency’, the word ‘and’ shall be deleted and a comma shall be added.

In the same Article of the Rulebook, paragraph (1), in point 16), the number ‘2’ shall be replaced by the number ‘3’, the period shall be deleted and the word ‘and’ shall be added.

In the same Article of the Rulebook, after point 16), the new point 17) shall be added and shall read as follows:

'17) in claims for accrued premiums of unexpired non-life insurances referred to in Article 10, paragraph (1), point 4) of this Rulebook up to 5% of assets for coverage of technical provisions.'

Article 3

In Article 22, paragraph (2), the words 'and up to 15% of assets per investment' shall be replaced by the words 'and per issuer referred to in paragraph (1), points 1), 2) and 3) of this Article up to 10%, and per investment in a piece of real property referred to in paragraph (1), point 4) of this Article up to 15% of technical provisions.'

Article 4

The content of the forms referred to in Article 26, paragraph (3) of the Rulebook which are in Annexes 1, 2 and 3 and which are an integral part of this Rulebook shall be amended.

Article 5

In Article 32 of the Rulebook, after paragraph (3), the new paragraph (4) shall be added and shall read as follows:

'(4) The assets referred to in Article 10, paragraph (1), point 4) of this Rulebook shall only be acknowledged as an instrument for coverage of technical provisions by 31 December 2022.'

The previous paragraphs (4) and (5) shall become paragraphs (5) and (6).

Article 8

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

Number: UO - 4/21
15 March 2021
Banja Luka

Chairman
of the Management Committee,
Goran Račić

ANNEX 1

Form: US1

Name: _____

Code: _____

Balance as at: _____

Number: _____

Created by: _____

Person responsible: _____

Actuary: _____

Date of completion: _____

Place of completion: _____

Contact: _____

Overview of the status of investments of assets for coverage of technical provisions of non-life insurances

No.	Type (form) of investment	Allowable %	Total amount invested (in BAM)	Executed %
<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>
1.	Securities issued or guaranteed by BiH, Republika Srpska, Central Bank of BiH and funds referred to in Article 8 of the Law on the Investment Development Bank of the Republika Srpska	without limit		
2.	Securities issued or guaranteed by the Federation of BiH and the Brčko District	up to 50%		
3.	Bonds and other debt securities issued by a local self-government unit in the RS/BiH	up to 35%, and up to 10% per issuer		
4.	Bonds and other debt securities for which the local self-government unit referred to in Article 9, paragraph (1), point 3) of the Rulebook has issued a guarantee	up to 20%, and up to 5% per issuer		
5.1.	Bonds and other debt securities traded in the official stock exchange market in the RS/BiH	up to 20%, and up to 5% per issuer		
5.2.	Bonds and other debt securities traded in the free stock exchange market in the RS/BiH	up to 10%, and up to 2% per issuer		
6.	Bonds and other debt securities not traded in the organised securities market in the RS/BiH, if their issuer is a legal person whose headquarters are in the RS/BiH	up to 5% , and up to 1% per issuer		
7.1.	Shares traded in the official stock exchange market in the RS/BiH	up to 30%, and up to 10% per issuer		
7.2.	Shares traded in the free stock exchange market in the RS/BiH	up to 10%, and up to 5% per issuer		
8.	Shares not traded in the organised securities market in the RS/BiH, if their issuer is a legal person whose headquarters are in the RS/BiH	up to 10%, and up to 5% per issuer		
9.	Loans secured by a lien on real property (mortgage)	up to 20%, and up to 10% per beneficiary		
10.1.	Loans secured by securities referred to in Article 9, paragraph (1), points 1) through 4) of the Rulebook	up to 10% in total, and up to 5% per beneficiary		
10.2.	Loans secured by a bank guarantee or loans to banks whose headquarters are in the RS/BiH			
11.	Real property (right of ownership and right to build)	up to 20% without the consent of the Agency, and between 20% and 40% with the consent of the Agency, and in one piece of real property or in several pieces of real property which are connected to make a single unit up to 20%		
12.	Time deposits in banks in the RS/BiH	up to 50%, and in one bank up to 20%		

No.	Type (form) of investment	Allowable %	Total amount invested (in BAM)	Executed %
<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>
13.	Units and shares of the investment funds with a public offering whose headquarters are in the RS/BiH	up to 30%, and in one investment fund up to 5%		
14.	Assets in the accounts of the insurance company	up to 10%, and in one bank up to 5%		
15.	Assets of the reserve fund and the compensation fund of Green Card Bureau in BiH	up to the amount of calculated claims provisions per green card		
16.	Total assets invested in the country <i>(sum of the investments listed under numbers 1 through 15)</i>			
17.	Securities issued by a member country of the EU, OECD or CEFTA, central banks of those countries, international financial organisations, or securities guaranteed by some of those entities	sum (17+18+19+20) up to 20% in total; 17, 18 and 19 per issuer up to 10%, and in one piece of real property or several pieces of real property which are connected to make a single unit up to 15%		
18.	Bonds and other debt securities traded in the organised securities market in a member country of the EU, OECD or CEFTA, provided that credit rating agencies have established their credit rating which corresponds to Standard & Poor's rating of at least 'A', or to the relevant Fitch-IBCA or Moody's rating			
19.	Shares traded in the organised securities market in a member country of the EU, OECD or CEFTA, provided that for at least two previous years they were listed on the official stock exchange listing and that their minimum market capitalisation is 500 million euros at the moment of investment			
20.	Real property located in a member country of the EU, OECD or CEFTA			
21.	Total assets invested abroad <i>(sum of the investments listed under numbers 17 through 20)</i>			
22.1.	Unearned premium chargeable to the reinsurer, co-insurer or retrocessionaire	up to 10%, and over 10% in accordance with the decision of the Agency		
22.2.	Deferred insurance acquisition expenses	up to 10%, in accordance with the decision of the Agency		
22.3.	Claims provisions chargeable to the reinsurer, co-insurer or retrocessionaire	in accordance with the decision of the Agency		
22.4.	Claims for accrued premiums of unexpired non-life insurances	up to 5%		
22.	Total other forms of assets (22.1.+22.2+22.3+22.4)			
23.	TOTAL (16+21+22)			

Technical provisions of non-life insurances as at _____

No.	Item	Amount in BAM
1.	Provisions for unearned premiums	
2.	Claims provisions	
3.	Provisions for bonuses and rebates	
4.	Provisions for risk equalisation	
5.	Other technical provisions of insurance	
6.	Total technical provisions (1+2+3+4+5)	

Certified actuary

Person responsible

Data processed by:

Name – signature

Name – signature

Name – signature

Name: _____

Code: _____

Balance as at: _____

Number: _____

Created by: _____

Person responsible: _____

Actuary: _____

Date of completion: _____

Place of completion: _____

Contact: _____

Overview of the status of investments of assets for coverage of technical provisions of life insurances

No.	Type (form) of investment	Allowable %	Total amount invested (in BAM)	Executed %
1	2	3	4	5
1.	Securities issued or guaranteed by BiH, Republika Srpska, Central Bank of BiH and funds referred to in Article 8 of the Law on the Investment Development Bank of the Republika Srpska	without limit		
2.	Securities issued or guaranteed by the Federation of BiH and the Brčko District	up to 50%		
3.	Bonds and other debt securities issued by a local self-government unit in the RS/BiH	up to 40%, and up to 15% per issuer		
4.	Bonds and other debt securities for which the local self-government unit referred to in Article 9, paragraph (1), point 3) of the Rulebook has issued a guarantee	up to 20%, and up to 10% per issuer		
5.1.	Bonds and other debt securities traded in the official stock exchange market in the RS/BiH	up to 30%, and up to 5% per issuer		
5.2.	Bonds and other debt securities traded in the free stock exchange market in the RS/BiH	up to 10%, and up to 5% per issuer		
6.1.	Shares traded in the official stock exchange market in the RS/BiH	up to 20%, and up to 10% per issuer		
6.2.	Shares traded in the free stock exchange market in the RS/BiH	up to 10%, and up to 5% per issuer		
7.	Loans secured by a lien on real property (mortgage)	up to 20%, and up to 10% per beneficiary		
8.1.	Loans secured by securities referred to in Article 9, paragraph (1), points 1) through 4) of the Rulebook	up to 10%, and up to 5% per beneficiary		
8.2.	Loans secured by a bank guarantee or loans to banks whose headquarters are in the RS/BiH			
9.	Loans in the amount of the purchase value of insurance based on life insurance contracts from the assets of mathematical provisions of life insurance	up to 25%, and up to 5% per beneficiary		
10.	Real property (right of ownership and right to build)	up to 20% without the consent of the Agency, and between 20% and 40% with the consent of the Agency, and in one piece of real property or in several pieces of real property which are connected to		

No.	Type (form) of investment	Allowable %	Total amount invested (in BAM)	Executed %
<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>
		make a single unit up to 20%		
11.	Time deposits in banks in the RS/BiH	up to 50%, and in one bank up to 20%		
12.	Units and shares of the investment funds with a public offering whose headquarters are in the RS/BiH	up to 30%, and in one investment fund up to 5%		
13.	Assets in the accounts of the insurance company	up to 10%, and in one bank up to 5%		
14.	Total assets invested in the country <i>(sum of the investments listed under numbers 1 through 13)</i>			
15.	Securities issued by a member country of the EU, OECD or CEFTA, central banks of those countries, international financial organisations, or securities guaranteed by some of those entities			
16.	Bonds and other debt securities traded in the organised securities market in a member country of the EU, OECD or CEFTA, provided that credit rating agencies have established their credit rating which corresponds to Standard & Poor's rating of at least 'A', or to the relevant Fitch-IBCA or Moody's rating			
17.	Shares traded in the organised securities market in a member country of the EU, OECD or CEFTA, provided that for at least two previous years they were listed on the official stock exchange listing and that their minimum market capitalisation is 500 million euros at the moment of investment			
18.	Real property located in a member country of the EU, OECD or CEFTA			
19.	Total assets invested abroad <i>(sum of the investments listed under numbers 15 through 18)</i>			
20.1.	Unearned premium chargeable to the reinsurer, co-insurer or retrocessionaire	up to 5%, and over 5% in accordance with the decision of the Agency		
20.2.	Claims provisions chargeable to the reinsurer, co-insurer or retrocessionaire and mathematical provisions chargeable to the reinsurer	in accordance with the decision of the Agency		
20.	TOTAL (20.1.+20.2)			
21.	TOTAL (14+19+20)			

Technical provisions of life insurances as at _____

No.	Item	Amount in BAM
1.	Provisions for unearned premiums	
2.	Claims provisions	
3.	Share profit provisions	
4.	Mathematical provisions	
5.	Total technical provisions (1+2+3+4)	

Certified actuary

Person responsible

Data processed by:

Name – signature

Name – signature

Name – signature

ANNEX 3

Form: US3

Name: _____
 Code: _____
 Balance as at: _____
 Number: _____
 Created by: _____
 Person responsible: _____
 Actuary: _____
 Date of completion: _____
 Place of completion: _____
 Contact: _____

Overview of the status of investments of assets for coverage of 50% of the minimum guarantee fund

No.	Type (form) of investment	Allowable %	Total amount invested (in BAM)	Executed %
<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>
1.	Securities issued or guaranteed by BiH, Republika Srpska, Central Bank of BiH and funds referred to in Article 8 of the Law on the Investment Development Bank of the RS	without limit		
2.	Time deposits in banks in the RS/BiH	without limit, and in one bank up to 20%		
3.	Total assets invested <i>(sum of the investments listed under numbers 1 through 2)</i>			

Minimum guarantee fund as at _____

No.	Item	Amount in BAM
1.	Minimum guarantee fund	
2.	50% of the minimum guarantee fund	

Certified actuary

Person responsible

Data processed by:

Name – signature

Name – signature

Name – signature