

Pursuant to Article 124, paragraph 7 and Article 129, paragraph 2 of the Insurance Law (RS Official Gazette, No 139/2014) and Article 15, paragraph 1 of the Law on the National Bank of Serbia (RS Official Gazette, Nos 72/2003, 55/2004, 85/2005 – other law, 44/2010, 76/2012, 106/2012, 14/2015 and 40/2015 – CC decision), the Executive Board of the National Bank of Serbia hereby issues the following

## **DECISION ON CAPITAL ADEQUACY OF INSURANCE/REINSURANCE UNDERTAKINGS**

### **Basic provisions**

1. This decision sets out other categories, and/or deductibles from guarantee reserves not prescribed by the Insurance Law (hereinafter: Law) and specifies the manner and frequency of assessment of compliance with capital adequacy requirements of an insurance/reinsurance undertaking (hereinafter: undertaking), and/or the manner and frequency of calculating guarantee reserve, manner of calculating guarantee capital and the required solvency margin for life insurances, non-life insurances and reinsurance.

2. In the calculation of the guarantee reserve, guarantee capital and required solvency margin in accordance with the Law and this Decision, an undertaking shall use the data from its business books.

### **Guarantee reserve**

3. An undertaking shall establish a guarantee reserve for the purpose of continued settlement of liabilities and handling operational risks. The guarantee reserve shall include core capital and supplementary capital, less deductibles, in accordance with Article 124 of the Law and this Decision.

The guarantee reserve referred to in paragraph 1 hereof shall be calculated in the manner specified in the form Capital adequacy for life insurances (CA-LI), and/or Capital adequacy for non-life insurances/reinsurance (CA-NI/RE), depending on the insurance/reinsurance activities the undertaking carries on.

The forms referred to in paragraph 2 hereof are given in Annexes 1 and 2, enclosed to this Decision and integral thereto.

4. In addition to categories of supplementary capital referred to in Article 124, paragraph 4 of the Law, supplementary capital shall also include long-term liabilities which may, under a contract, be converted into the appropriate form of capital in accordance with law. These liabilities shall be disclosed in the commercial account 410 pursuant to the regulation governing the chart of accounts and content of accounts in the chart of accounts for insurance undertakings.

5. In addition to categories of deductibles set forth in Article 124, paragraph 5 of the Law, deductibles shall include:

1) the difference between non-discounted and discounted outstanding claims reserves of non-life insurances, if the undertaking uses discounting, except for accident insurance, voluntary health insurance and outstanding claims reserves in the form of an annuity;

2) net amount of investment in subordinated debt instruments and other debt instruments of legal entities in which the undertaking has a controlling participation within the meaning of Article 28, paragraph 4 of the Law;

3) illiquid assets, after value adjustments, in accordance with regulations governing accounting and the undertaking's internal acts, as follows:

– claims on a debtor under bankruptcy proceedings, and/or claims arising from investment in an entity subject to bankruptcy proceedings,

– claims on a debtor not settling its liabilities on non-life insurance premium within one month, and if the debtor is the Republic of Serbia or a state-owned legal entity – within three months from the expiry of the insurance term of up to a year, and if the period exceeds one year – not settling liabilities within a year from the start of the insurance term for that year,

– claims on persons carrying on insurance agency activities on account of funds charged in the name and on behalf of an insurance undertaking which were not transferred within 15 days from the incurrence of those claims,

– claims on a legal entity or natural person – shareholder of an undertaking with a qualifying holding within the meaning of Article 28 of the Law and persons related to it within the meaning of Article 30 of the Law, except for claims arising from reinsurance activities,

– debt securities, and/or claims not directly related to the performance of insurance activities, which were not collected within three months from the due date, except for claims on the Republic of Serbia,

– claims with a questionable or disputable legal basis,  
– investments in corporate bonds of domestic legal entities not traded in the organized securities market in accordance with law,

- claims arising from payments for other purposes, intended for mutual guarantees for the fulfilment of liabilities of more than one person,
- mortgaged and pledged property.

### **Guarantee capital**

6. Guarantee capital of an undertaking shall be determined by reducing core and supplementary capital within the meaning of the Law and this Decision by:

- deductibles set forth in Article 124, paragraph 5, items 1) to 3) of the Law,
- deductible set forth in Section 5, provision 1) hereof.

The guarantee capital referred to in paragraph 1 hereof shall be calculated in the manner specified in the form CA-LI, and/or CA-NI/RE, depending on the insurance/reinsurance activities the undertaking carries on.

### **Required solvency margin**

7. The undertaking shall determine the required solvency margin in the manner set out in the forms Required solvency margin for life insurances (RSM-LI), Required solvency margin for non-life insurances, reinsurance and supplementary insurance in addition to life insurance (RSM-NI/RE), Required solvency margin based on premiums (RSM-P) and Required solvency margin based on claims (RSM-C), depending on the insurance/reinsurance activities it carries on.

The forms referred to in Article 1 hereof are given in Annexes 3 to 6, enclosed to this Decision and integral thereto.

8. In determining the required solvency margin as at:

- 31 December of the current year, the period for which the required solvency margin is determined (hereinafter: period) shall refer to the interval from 1 January of the current year to 31 December of the current year;
- 31 March of the current year, the period shall refer to the interval from 1 April of the previous year to 31 March of the current year;
- 30 June of the current year, the period shall refer to the interval from 1 July of the previous year to 30 June of the current year;
- 30 September of the current year, the period shall refer to the interval from 1 October of the previous year to 30 September of the current year.

### **The frequency of calculation of the guarantee reserve and assessment of compliance with capital adequacy requirements**

9. An undertaking which carries on life insurance activities shall determine quarterly, as at the last day of the quarter, and annually, as at the last day of the year, the following:

1) available solvency margin, which is understood to mean the guarantee reserve calculated in accordance with Article 124 of the Law and this Decision;

2) required solvency margin in accordance with Article 125 of the Law and this Decision;

3) level of guarantee capital in accordance with Article 128 of the Law and this Decision;

4) compliance with capital adequacy requirements in accordance with Article 129, paragraph 1 of the Law and this Decision.

10. An undertaking which carries on non-life insurance activities shall determine quarterly, as at the last day of the quarter, and annually, as at the last day of the year, the following:

1) available solvency margin, which is understood to mean the guarantee reserve calculated in accordance with Article 124 of the Law and this Decision;

2) required solvency margin in accordance with Article 126 of the Law and this Decision;

3) level of guarantee capital in accordance with Article 128 of the Law and this Decision;

4) compliance with capital adequacy requirements in accordance with Article 129, paragraph 1 of the Law and this Decision.

11. An undertaking which simultaneously carries on life and non-life insurance activities shall assess compliance with capital adequacy requirements in accordance with Sections 9 and 10 hereof.

12. An undertaking carrying on reinsurance activities shall act in accordance with Section 10 hereof in order to determine compliance with capital adequacy requirements.

13. An undertaking shall submit the data referred to in Sections 9 and 10 hereof, presented in forms CA-LI, CA-NI/RE, RSM-LI, RSM-NI/RE, RSM-P and RSM-C to the National Bank of Serbia in the manner and within the

timeframes laid down by the regulation governing the requirement for regular reporting by the undertaking.

### **Transitional and final provisions**

14. An undertaking shall calculate capital adequacy in accordance with the provisions hereof for the first time on 31 December 2015, while on 30 June and 30 September 2015 it shall calculate the guarantee reserve and solvency margin in the manner set forth by regulations which were in force prior to the entry into force of this Decision.

15. On 31 December 2016, an undertaking shall determine for the first time in accordance with Article 126, paragraph 8 of the Law whether the required solvency margin is lower than the determined required solvency margin of the previous year .

16. As of the entry into force of this Decision, the Decision on the Method for Ascertainment and Monitoring of the Insurance Company Liquidity (RS Official Gazette, No 3/2005), the Decision on the Method for Evaluation of the Balance Sheet and Off-Balance Sheet Positions of Insurance Company (RS Official Gazette, No 3/2005) and the Decision on the Manner of Determining the Level of the Solvency Margin (RS Official Gazette, Nos 31/2005 and 21/2010) cease to have effect.

17. This Decision shall be published in the RS Official Gazette and shall enter into force on 27 June 2015.

NBS Executive Board No 46  
11 June 2015  
Belgrade

Chairperson  
Executive Board of the  
National Bank of Serbia  
Governor  
National Bank of Serbia

Jorgovanka Tabaković, PhD

Date:  
Joint stock insurance undertaking:

**Form CA-LI**

**CAPITAL ADEQUACY FOR LIFE INSURANCES**

No	DESCRIPTION	Amount in RSD thousand (except under X)
I	CORE CAPITAL (1+2+3+4+5)	
1.	Paid-up core capital for common shares	
2.	Reserves regulated by the Articles of Association and other acts of the undertaking, except for reserves linked to preferred shares	
3.	Revaluation reserves with unrealised gains	
4.	Retained profit from previous years	
5.	Retained profit from the current year, up to 50%	
II	SUPPLEMENTARY CAPITAL (6+7+8)	
6.	Paid-up core capital for preferred shares	
7.	Reserves linked to preferred shares	
8.	Long-term liabilities convertible to capital	
III	DEDUCTIONS, PART ONE (9+10+11+12)	
9.	Intangible assets (investments)	
10.	Redeemed own shares	
11.	Loss in the current year and uncovered losses from previous years	
IV	GUARANTEE CAPITAL (I+II-III)	
V	DEDUCTIONS, PART TWO (12+13+14)	
12.	Equity interest and/or shares in other insurance undertakings with the head office in the Republic of Serbia	
13.	Net amount of investment in subordinated debt instruments and other debt instruments of legal entities in which the undertaking has a controlling participation	
14.	Illiquid assets	
VI	GUARANTEE RESERVE, PRELIMINARY RESULT (I+II-III-V)	
15.	Deduction for the case referred to in Article 124, paragraph 6, item 1) of the Law	
16.	Deduction for the case referred to in Article 124, paragraph 6, item 2) of the Law	
17.	Deduction for the case referred to in Article 124, paragraph 6, item 3) of the Law	
VII	GUARANTEE RESERVE, FINAL RESULT, AVAILABLE SOLVENCY MARGIN (VI-15-16-17)	
VIII	REQUIRED SOLVENCY MARGIN FOR LIFE INSURANCES (Article 125 of the Law – Form RSM-LI)	
IX	DIFFERENCE BETWEEN AVAILABLE AND REQUIRED SOLVENCY MARGIN FOR LIFE INSURANCES (Article	

	127, paragraph 1 of the Law) VII-VIII $\geq 0$	
X	RATIO BETWEEN REQUIRED SOLVENCY MARGIN FOR LIFE INSURANCES AND GUARANTEE CAPITAL (Article 128, paragraph 1 of the Law) VIII/IV $\leq 3$	
XI	AMOUNT LAID DOWN BY ARTICLE 27 OF THE LAW (in accordance with a valid operating license)	
XII	DIFFERENCE BETWEEN GUARANTEE CAPITAL AND THE AMOUNT LAID DOWN BY ARTICLE 27 OF THE LAW (Article 128, paragraph 2 of the Law) IV-XI $\geq 0$	

Date:

Form CA-NI/RE

Joint stock insurance undertaking:

**CAPITAL ADEQUACY FOR NON-LIFE INSURANCES/REINSURANCE**

No	DESCRIPTION	Amount in RSD thousand (except under X)
I	CORE CAPITAL (1+2+3+4+5)	
1.	Paid-up core capital for common shares	
2.	Reserves regulated by the Articles of Association and other acts of the undertaking, except for reserves linked to preferred shares	
3.	Revaluation reserves with unrealised gains	
4.	Retained profit from previous years	
5.	Retained profit from the current year, up to 50%	
II	SUPPLEMENTARY CAPITAL (6+7+8)	
6.	Paid-up core capital for preferred shares	
7.	Reserves linked to preferred shares	
8.	Long-term liabilities convertible to capital	
III	DEDUCTIONS, PART ONE (9+10+11+12)	
9.	Intangible assets (investments)	
10.	Redeemed own shares	
11.	Loss in the current year and uncovered losses from previous years	
12.	Difference between non-discounted and discounted outstanding claims reserves	
IV	GUARANTEE CAPITAL (I+II-III)	
V	DEDUCTIONS, PART TWO (13+14+15)	
13.	Equity interest or shares in other insurance undertakings with the head office in the Republic of Serbia	
14.	Net amount of investment in subordinated debt instruments and other debt instruments of legal entities in which the undertaking has a controlling participation	
15.	Illiquid assets	
VI	GUARANTEE RESERVE, PRELIMINARY RESULT (I+II-III-V)	
16.	Deduction for the case referred to in Article 124, paragraph 6, item 1) of the Law	
17.	Deduction for the case referred to in Article 124, paragraph 6, item 2) of the Law	
18.	Deduction for the case referred to in Article 124, paragraph 6, item 3) of the Law	
VII	GUARANTEE RESERVE, FINAL RESULT, AVAILABLE SOLVENCY MARGIN (VI-16-17-18)	
VIII	REQUIRED SOLVENCY MARGIN FOR NON-LIFE	



	INSURANCES/REINSURANCE (Article 126 of the Law – Form RSM-NI/RE)	
IX	DIFFERENCE BETWEEN AVAILABLE AND REQUIRED SOLVENCY MARGIN FOR NON-LIFE INSURANCES/REINSURANCE (Article 126, paragraph 9 and Article 127, paragraph 2 of the Law) $VII-VIII \geq 0$	
X	RATIO BETWEEN REQUIRED SOLVENCY MARGIN FOR NON-LIFE INSURANCES/REINSURANCE AND GUARANTEE CAPITAL (Article 128, paragraph 1 of the Law) $VIII/IV \leq 3$	
XI	AMOUNT LAID DOWN BY ARTICLE 27 OF THE LAW (in accordance with a valid operating license)	
XII	DIFFERENCE BETWEEN GUARANTEE CAPITAL AND THE AMOUNT LAID DOWN BY ARTICLE 27 OF THE LAW (Article 128, paragraph 2 of the Law) $IV-XI \geq 0$	

**REQUIRED SOLVENCY MARGIN FOR LIFE INSURANCES**

Joint stock insurance undertaking:

Date:

CLASS OF LIFE INSURANCE		a	b	c	d	e	f
		I	II	III	V		VII
1	Percentage referred to in Article 125 of the Law	4%	4%	4%	4%	1%	4%
2	Mathematical reserve in accordance with Article 125, paragraph 3, item 1) of the Law						
3	Mathematical reserve in accordance with Article 125, paragraph 3, item 2), sub-item (1) of the Law						
4	Ratio in accordance with Article 125, paragraph 3, item 2) of the Law ( $\max([3]/[2], 85\%)$ )						
5	First result ( $[1]*[2]*[4]$ )						
6	Capital at risk in accordance with Article 125, paragraphs 4 and 5 of the Law	Insurance in the event of death for a term $\leq 3$ years					
7		Insurance in the event of death for a term $> 3$ and $< 5$ years					
8		All other life insurances					
9		Total ( $[6]*0.1\%+[7]*0.15\%+[8]*0.3\%$ )					

10	Capital at risk in accordance with Article 125, paragraph 4, item 2), sub-item (1) of the Law, reduced by the amount of capital at risk covered by reinsurance (all contracts, regardless of term of insurance)						
11	Ratio in accordance with Article 125, paragraph 4, item 2) of the Law ( $\max([\frac{10}{[6]+[7]+[8]}], 50\%)$ )						
12	Second result ( $[9]*[11]$ )						
13	Sum of first and second result ( $[5]+[12]$ )						
14	Required solvency margin for Ia, IIb, IIIc, Vd, Ve и VIIf ( $a_{13}+b_{13}+c_{13}+d_{13}+e_{13}+f_{13}$ )						
15	Required solvency margin for IV (Form RSM-NI/RE a14)						
16	Value of capitalised funds						
17	Required solvency margin for VI ( $a_{16}*1\%$ )						
18	Capital at risk in accordance with Article 125, paragraph 6, item 4 of the Law for VIII						
19	Ratio in accordance with Article 125, paragraph 4, item 2) of the Law for VIII						
20	Required solvency margin for VIII ( $a_{18}*a_{19}*0.3\%$ )						
21	Net administrative expenses of the period for IX						
22	Required solvency margin for IX ( $a_{21}*25\%$ )						
23	<b>Required solvency margin for life insurances (<math>a_{14}+a_{15}+a_{17}+a_{20}+a_{22}</math>)</b>						

**Manner of completing the Form RSM-LI:**

The amounts are disclosed in RSD thousand, except in rows 4 and 11, which are disclosed as a percentage.

Required solvency margin is calculated for the following classes of life insurance:

- Ia – life insurance;
- IIb – marriage insurance and birth insurance;
- IIIc – annuity insurance;
- IV – supplementary insurance in addition to life insurance;
- Vd – life insurances referred to in Article 8, items 1) to 3) of the Law linked to units of investment funds where the undertaking bears the investment risk;
- Ve – life insurances referred to in Article 8, items 1) to 3) of the Law linked to units of investment funds where the undertaking does not bear the investment risk, but management expenses are fixed and unchangeable for a period longer than five years;
- VI – tontines;
- VIIf – insurance with capital redemption;
- VIII – life insurances referred to in Article 8, items 1) to 3) of the Law linked to units of investment funds where the undertaking assumes the risk of death of the insured;
- IX – life insurances referred to in Article 8, items 1) to 3) of the Law linked to units of investment funds where the undertaking does not bear the investment risk and management expenses are not fixed and unchangeable for a period longer than five years.

The total mathematical reserve of an insurance undertaking is the amount of mathematical reserve of own portfolio increased by the amount of mathematical reserve of assumed coinsurance.

Mathematical reserve reduced by the part covered by reinsurance for an insurance undertaking is the amount of mathematical reserve of own portfolio increased by the amount of mathematical reserve of assumed coinsurance and reduced by the sum of mathematical reserves ceded through coinsurance and reinsurance.

## Form RSM-NI/RE

**REQUIRED SOLVENCY MARGIN FOR NON-LIFE INSURANCES, REINSURANCE AND SUPPLEMENTARY INSURANCE IN ADDITION TO LIFE INSURANCE**

Joint stock insurance undertaking:

Date:

		a
<b>NON-LIFE INSURANCE, EXCEPT FOR VOLUNTARY HEALTH INSURANCE IN ACCORDANCE WITH ARTICLE 126, PARAGRAPH 6 OF THE LAW</b>		
1	Required solvency margin based on premiums – Article 126, paragraph 2 of the Law (Form RSM-P a15)	
2	Required solvency margin based on claims – Article 126, paragraph 3 of the Law (Form RSM-C a12)	
3	Required solvency margin (max(a1,a2))	
<b>VOLUNTARY HEALTH INSURANCE IN ACCORDANCE WITH ARTICLE 126, PARAGRAPH 6 OF THE LAW</b>		
4	Required solvency margin based on premiums – Article 126, paragraph 2 of the Law (Form RSM-P a30)	
5	Required solvency margin based on claims – Article 126, paragraph 3 of the Law (Form RSM-C a20)	
6	Required solvency margin – Article 126, paragraph 6 of the Law (max(a4,a5))	
<b>NON-LIFE INSURANCE</b>		
7	Required solvency margin in accordance with Article 126 of the Law (a3+a6)	
8	Required solvency margin in the same period a year earlier	
<b>If a7 &lt; a8, complete rows a9 to a13</b>		
9	Outstanding claims reserves at the end of the period reduced by the amount covered by reinsurance	
10	Outstanding claims reserves at the end of the same period a year earlier reduced by the amount covered by reinsurance	
11	Ratio referred to in Article 126, paragraph 8 of the Law (a9/a10)	
12	Ratio referred to in Article 126, paragraph 8 of the Law (min(a11,1))	
13	Required solvency margin referred to in Article 126, paragraph 8 of the Law (a8*a12)	

14	<b>Required solvency margin of the period (a7 if a7≥a8, otherwise a13)</b>	
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**Manner of completing the Form RSM-NI/RE:**

Amounts are disclosed in thousands of dinars, except in cells a11 and a12, which are disclosed as a percentage.

Required solvency margin for reinsurance undertakings is calculated in accordance with Article 126 of the Law, by entering data for all insurance classes in the part of the form referring to non-life insurance, except for voluntary health insurance in accordance with Article 126, paragraph 6 of the Law, while the part of the form referring to voluntary health insurance in accordance with Article 126, paragraph 6 of the Law is not completed.

Required solvency margin for supplementary insurance in addition to life insurance is calculated in accordance with Article 126 of the Law, by entering data referring to supplementary insurance in addition to life insurance only in the part of the form referring to non-life insurance, except for voluntary health insurance in accordance with Article 126, paragraph 6 of the Law, while the part of the form referring to voluntary health insurance in accordance with Article 126, paragraph 6 of the Law is not completed.

**REQUIRED SOLVENCY MARGIN BASED ON PREMIUMS**

Joint stock insurance undertaking:

Date:

		a	b	c	d	e
<b>NON-LIFE INSURANCE, EXCEPT FOR VOLUNTARY HEALTH INSURANCE IN ACCORDANCE WITH ARTICLE 126, PARAGRAPH 6 OF THE LAW</b>						
Period		t	t-1	t-2	t-3	total
1	Amount of total premium without deduction for amounts covered by reinsurance					
2	Total reserves for unearned premiums without deduction for amounts covered by reinsurance at the end of the period					
3	Amount of premium earned without deduction for amounts covered by reinsurance (a1+b2-a2)					
4	Premium without deduction for amounts covered by reinsurance (max(a1,a3))					
5	Premium from a4 up to EUR 50 mln*18%					
6	Premium from a4 over EUR 50 mln*16%					
7	Sum of premiums a5+a6					
8	Settled claims reduced by the amount covered by reinsurance					
9	Outstanding claims reserves reduced by the amount covered by reinsurance					

10	Total expenses for claims reduced by the amount covered by reinsurance (e8+a9-d9)					
11	Settled claims without deduction for amounts covered by reinsurance					
12	Outstanding claims reserves without deduction for amounts covered by reinsurance					
13	Total expenses for claims without deduction for amounts covered by reinsurance (e11+a12-d12)					
14	Ratio referred to in Article 126, paragraph 2, item 2) of the Law (max((a10/a13),50%))					
15	Result referred to in Article 126, paragraph 2 of the Law (a7*a14)					
<b>VOLUNTARY HEALTH INSURANCE IN ACCORDANCE WITH ARTICLE 126, PARAGRAPH 6 OF THE LAW</b>						
Period		t	t-1	t-2	t-3	total
16	Amount of total premium without deduction for amounts covered by reinsurance					
17	Total reserves for unearned premiums without deduction for amounts covered by reinsurance at the end of the period					
18	Amount of premium earned without deduction for amounts covered by reinsurance (a16+b17-a17)					
19	Premium without deduction for amounts covered by reinsurance (max(a16,a18))					
20	Premium from a19 up to EUR 50 mln*18%*(1/3)					
21	Premium from a19 over EUR 50 mln*16%*(1/3)					
22	Sum of premiums a20+a21					
23	Settled claims reduced by the amount covered by reinsurance					
24	Outstanding claims reserves reduced by the amount covered by reinsurance					



25	Total expenses for claims reduced by the amount covered by reinsurance (e23+a24-d24)					
26	Settled claims without deduction for amounts covered by reinsurance					
27	Outstanding claims reserves without deduction for amounts covered by reinsurance					
28	Total expenses for claims without deduction for amounts covered by reinsurance (e26+a27-d27)					
29	Ratio referred to in Article 126, paragraph 2, item 2) of the Law (max((a25/a28),50%))					
30	Result referred to in Article 126, paragraph 2 of the Law (a22*a29)					

### **Manner of completing the Form RSM-P:**

The amounts are disclosed in thousands of dinars, except in cells a14 and a29, which are disclosed as a percentage.

Total insurance/reinsurance premium is the amount of premium without tax specified by an insurance/reinsurance contract (written premium)

Premium earned of an insurance undertaking is the amount of total premium of the period increased by the amount of reserves for unearned premiums at the start of the period and reduced by the amount of total reserves for unearned premiums at the end of the period, while premium earned of a reinsurance undertaking is the amount of total premium of the period of inward reinsurance increased by the amount of total reserves for unearned premiums of inward reinsurance at the start of the period and reduced by the amount of total reserves for unearned premiums of inward reinsurance at the end of the period.

Written off premium is an insurance premium which was removed from the undertaking's business books upon the cessation of insurance.

The amount in euros referred to in Article 126, paragraph 2 of the Law is calculated in the dinar equivalent value at the official middle exchange rate on the calculation date.

Total expenses for claims refer to the total amount of settled claims (finally or partially) for the previous three periods increased by the amount of costs of settlement and payment of claims and by the amount of total outstanding claims reserves at the end of the period, and reduced by the total amount of outstanding claims reserves at the end of period  $t-3$ .

Required solvency margin for reinsurance undertakings is calculated in accordance with Article 126 of the Law, by entering data for all insurance classes in the part of the form referring to non-life insurance, except for voluntary health insurance in accordance with Article 126, paragraph 6 of the Law, while the part of the form referring to voluntary health insurance in accordance with Article 126, paragraph 6 of the Law is not completed.

Required solvency margin for supplementary insurance in addition to life insurance is calculated in accordance with Article 126 of the Law, by entering data referring to supplementary insurance in addition to life insurance only in the part of the form referring to non-life insurance, except for voluntary health insurance in accordance with Article 126, paragraph 6 of the Law, while the part of the form referring to voluntary health insurance in accordance with Article 126, paragraph 6 of the Law is not completed.

**REQUIRED SOLVENCY MARGIN BASED ON CLAIMS**

Joint stock insurance undertaking:

Date:

		a	b	c	d	e	f	g	h	i
<b>NUMBER OF YEARS IN ACCORDANCE WITH ARTICLE 126, PARAGRAPHS 3, 4 AND 5 OF THE LAW</b>										
1	Total non-life insurance premium without deduction for amounts covered by reinsurance									
2	Total credit insurance premium covering the risk of storm, hail or frost without deduction for amounts covered by reinsurance									
3	Share of a2 in a1 as a percentage									
4	3 if a3≤50% or 7 if a3>50%									
<b>NON-LIFE INSURANCE, EXCEPT FOR VOLUNTARY HEALTH INSURANCE IN ACCORDANCE WITH ARTICLE 126, PARAGRAPH 6 OF THE LAW</b>										
Period		t	t-1	t-2	t-3	t-4	t-5	t-6	t-7	total





19	Ratio referred to in Article 126, paragraph 3, item 2) of the Law (Form RSM-P a29)									
20	Result referred to in Article 126, paragraph 3 of the Law (a18*a19)									

### **Manner of completing the Form RSM-C:**

The amounts are disclosed in thousands of dinars, except in cells a3, a11 and a19, which are disclosed as a percentage, and the amount in a4, which is disclosed as a whole number.

Total insurance/reinsurance premium is the amount of premium without tax specified by an insurance/reinsurance contract (written premium)

The amount in euros referred to in Article 126, paragraph 2 of the Law is calculated in the dinar equivalent value at the official middle exchange rate on the calculation date.

Average annual amount of expenses for claims refers to the total amount of settled claims (finally or partially) for the previous three (and/or previous seven) periods increased by the amount of costs of settlement and payment of claims and by the amount of total outstanding claims reserves at the end of the period, and reduced by the total amount of outstanding claims reserves at the end of period t-3 (and/or t-7).

In determining the average annual amount of total expenses for claims within the meaning of Article 126, paragraph 4 of the Law, cells a5, b5, c5, i5, a6 and d6 are completed, and within the meaning of Article 126, paragraph 5 of the Law, cells a5, b5, c5, d5, e5, f5, g5, i5, a6 and h6.

Required solvency margin for reinsurance undertakings is calculated in accordance with Article 126 of the Law, by entering data for all insurance classes in the part of the form referring to non-life insurance, except for voluntary health insurance in accordance with Article 126, paragraph 6 of the Law, while the part of the form referring to voluntary health insurance in accordance with Article 126, paragraph 6 of the Law is not completed.

Required solvency margin for supplementary insurance in addition to life insurance is calculated in accordance with Article 126 of the Law, by entering data referring to supplementary insurance in addition to life insurance only in the part of the form referring to non-life insurance, except for voluntary health insurance in accordance with Article 126, paragraph 6 of the Law, while the part of the form referring to voluntary health insurance in accordance with Article 126, paragraph 6 of the Law is not completed.