

***“Approved”***  
*Board Decision No. Q-09*  
*dated 7 April 2014*  
*Ministry of Finance*  
*Republic of Azerbaijan*

## **Regulations on the issuance of debt to insured persons by insurers operating in the savings insurance field**

### **1. General provisions**

These Regulations have been prepared to implement subparagraph 4.1.2 of Decree No. 49 of the President of the Republic of Azerbaijan, dated December 16, 2013, "On implementation of Law No. 806-IVQD on Amendments to the Law of the Republic of Azerbaijan "On Insurance Activities", dated October 29, 2013, and "On Amendments to Decree No. 735 of the President of the Republic of Azerbaijan, dated March 13, 2008, "On application of Law No. 519-IIIQ of the Republic of Azerbaijan "On Insurance Activities", dated December 25, 2007, and to determine the rules for an insurer (hereinafter referred to as the "insurer") operating in the savings insurance sector to grant debts to insured persons.

### **2. Conditions for granting debt to insured persons by insurers**

- 2.1. The insurer shall pay the insured person the debt on the following conditions:
- 2.1.1. the insurance contract shall be valid for at least 2 years;
  - 2.1.2. the debt shall be within 50 percent of the surrender value;
  - 2.1.3. the debt is provided by pledging the surrender value;
  - 2.1.4. according to the terms of the debt agreement, the debt amount shall not exceed the collateral amount.
  - 2.1.5. the debt cannot be granted for a period longer than the remaining period of validity of the insurance contract.

### **3. Procedure for granting debt to insured persons by insurers**

- 3.1. Unless the insurance contract states otherwise, the policyholder's consent is not required for the insured to receive debt.
- 3.2. The debt is provided in non-cash form.
- 3.3. In accordance with the terms of the debt agreement, the debt amount may be repaid in a lump sum or in installments.
- 3.4. The insurer does not charge the insured additional fees, such as penalties or fines, for failing to repay the debt on time.
- 3.5. If the insured has outstanding debts as of the expiration date of the relevant insurance contract, the insurance payment will be reduced by those amounts.