

Regulation on organization and conduct of insurance certification

1. General provisions

1.1. *This Regulation was developed in accordance with Articles 81-3, 83 and 88 of the Law of the Republic of Azerbaijan ‘on Insurance Activity’ (hereinafter - the Law) and establishes the procedure for organizing and conducting certification at the Central Bank of the Republic of Azerbaijan (hereinafter - the Central Bank) for the head of the executive body of insurance brokers who are legal entities and legal entities exclusively engaged in insurance agent activities, as well as for individuals seeking to obtain a license for relevant insurance intermediation or an actuarial certificate for performing actuarial activities.*

1.2. *The persons specified in Articles 83.3 and 88.4 of the Law undergo attestation under the procedure established for persons who have received an insurance intermediation license by this Regulation.*

~~1.3. The definition ‘insurer’ used in this Regulation includes reinsurers in accordance with Article 1.2 of the Law in addition to insurers; the definition ‘manager’ includes members of the Board of Directors and the Audit Committee of the insurer, the head of the internal audit service and the chief accountant.~~

1.4. In this Regulation, the ‘credit score’ means points given to persons who successfully pass exams specified in sub-items 3.4.1-3.4.4 herein for obtaining an actuarial certificate, and the ‘certificate’ means the document confirming successfully passing exams.

2. Requirements for compliance of persons seeking to be certified

2.1. *Persons seeking to be certified should meet the requirements specified in the Law.*

2.2. *The following documents confirming compliance of the persons seeking to be certified with the requirements established with the Law are submitted to the Central Bank:*

2.2.1. *In relation to the persons to be appointed the head of the executive body of insurance brokers who are legal entities and legal entities exclusively engaged in insurance agent activities:*

2.2.1.1. a questionnaire as per Annex 1 of this Regulation filled out by the candidate.

2.2.1.2. a copy of an ID card either notarized or approved as per Article 9 of the Law of the Republic of Azerbaijan ‘on Administrative Proceedings’.

2.2.1.3. a copy of a document confirming work experience either notarized or approved as per Article 9 of the Law of the Republic of Azerbaijan ‘on Administrative Proceedings’.

2.2.1.4. a copy of a document on higher education either notarized or approved as per Article 9 of the Law of the Republic of Azerbaijan ‘on Administrative Proceedings’.

~~2.2.1.5. a copy of the professional accountant's certificate of the person to be appointed as the chief accountant of the insurer.~~

2.2.1.6. *a legalized or apostilled certificate issued by relevant public authorities of the foreign individual's home country, on whether he/she has been held criminally liable.*

2.2.2. In relation to the person seeking to obtain a license for relevant insurance intermediation:

2.2.2.1. a questionnaire filled in by the candidate as per Annex 2 herein.

2.2.2.2. a copy of an ID card either notarized or approved as per Article 9 of the Law of the Republic of Azerbaijan on Administrative Proceedings.

2.2.2.3. *a legalized or apostilled certificate issued by relevant public authorities of the foreign individual's home country, on whether he/she has been held criminally liable.*

2.2.3. In relation to the person seeking to obtain an actuarial certificate:

2.2.3.1. questionnaire filled in by the candidate as per Annex 3 herein.

2.2.3.2. a copy of an ID card either notarized or approved as per Article 9 of the Law of the Republic of Azerbaijan on Administrative Proceedings.

2.2.3.3. a copy of a document on higher education either notarized or approved as per Article 9 of the Law of the Republic of Azerbaijan on Administrative Proceedings.

2.2.3.4. *a legalized or apostilled certificate issued by relevant public authorities of the foreign individual's home country, on whether he/she has been held criminally liable.*

2.3. If the person to be certified (a citizen of the Republic of Azerbaijan) meets the requirements for ~~qualification eligibility~~ established by Law, the Central Bank applies to the competent state authority with a request to submit a certificate of civil impeccability within 3 (three) working days from the date of receipt of relevant documents.

2.4. The documents specified in Item 2.2 herein in relation to *the head of the executive body of insurance brokers who are legal entities and legal entities exclusively engaged in insurance agent activities, as well as* relevant individual insurance intermediary are reviewed within 30 (thirty) calendar days from the day of receipt by the Central Bank and written information on the place and time of the examination is sent to the person who is considered eligible in electronic or written form at least 5 (five) working days before the day of the certification examination to the address indicated in the submitted questionnaire and a relevant announcement is made on the official website of the Central Bank.

2.5. The documents specified in Item 2.2 herein in relation to the individual seeking to obtain an actuarial certificate are reviewed within 30 (thirty) calendar days from the day of receipt by the Central Bank and the eligible person participates in the examination as per Part 5 herein.

2.6. A photo of the candidate in the size specified in the questionnaire annexed herein is inserted to the questionnaires.

3. Requirements for the certification

3.1. The certification is conducted as follows:

3.1.1. *for the head of the executive body of insurance brokers who are legal entities and legal entities exclusively engaged in insurance agent activities, as well as* relevant individual insurance intermediary an examination consisting of closed-type test tasks for the manager of the insurer and the relevant individual insurance intermediary.

3.1.2. for an individual seeking to obtain an actuarial certificate, an examination consisting of closed and open type test tasks on the topics specified in sub-items 3.4.1-3.4.4 and closed-type test tasks on the topic specified in sub-item 3.4.5 herein.

3.2. The closed-type test consists of test tasks that require identification and marking of one correct answer out of four answer options, only one of which is correct.

3.3. The open-type test consists of test tasks with no answer options, which require the candidate to determine the correct answer and express it in a written form.

3.4. The certification of individuals seeking to obtain an actuarial certificate consists of examinations covering the following topics:

3.4.1. the probability theory, statistics, and financial mathematics.

3.4.2. non-life insurance mathematics.

3.4.3. practical applications on non-life insurance.

3.4.4. life insurance mathematics and its practical applications.

3.4.5. reports submitted to the Central Bank on the insurance legislation and the insurance sector.

3.5. A person who has submitted a document certifying that he/she has successfully passed the examination organized by the following foreign institutions consistent with each subject specified in sub-items 3.4.1-3.4.4 herein are considered to have collected the appropriate credit score in accordance with Item 5.6 herein:

3.5.1. The US Society of Actuaries

3.5.2. The Canadian Institute of Actuaries.

3.5.3. The UK Institute and Faculty of Actuaries

3.5.4. The Institute of Actuaries of Australia

3.5.5. Türk Sigorta Enstitüsü Vakfı

3.5.6. Sigortacılık Eğitim Merkezi.

4. Conducting an exam for and evaluating results of *the head of the executive body of insurance brokers who are legal entities and legal entities exclusively engaged in insurance agent activities, as well as the relevant individual insurance intermediary*

4.1. Three hours are allotted for conducting the exam consisting of closed-type test tasks *for the head of the executive body of insurance brokers who are legal entities and legal entities exclusively engaged in insurance agent activities, as well as the relevant individual insurance intermediary.*

4.2. The exam is written, and 100 closed test questions are presented to each of the participants.

4.3. *Test questions cover the insurance legislation.*

4.4. Each correct answer is awarded one point. In each test task, if a participant selects two or more answers, including the correct one, the corresponding response is considered incorrect. Incorrect answers do not impact the evaluation of correct answers.

4.5. During the exam, the use of written, electronic, or any other information materials is strictly prohibited, and participants are not allowed to discuss the content of test tasks with other individuals. Exam results of any person found violating this prohibition is canceled.

4.6. The participant is considered to have passed the certification when he/she achieves a score of at least 70 points.

4.7. The candidacy of a person who failed the certification may be submitted for re-certification at least one month after the certification day.

5. Conducting an exam for and evaluating results of the individuals seeking to obtain an actuarial certificate

5.1. Three hours are allotted for each of the exams specified in Item 3.4 herein.

5.2. The candidate has total 25 test tasks of 100 points: 15 closed-type questions with 3 points for each correct answer and 10 open-type questions with 5.5 points for each correct answer on the exams specified in sub-items 3.4.1-3.4.4 herein, on the exam specified in sub-item 3.4.5 herein a closed test task with total 100 points, with 30 questions on the insurance legislation and 20 questions on reports submitted to the Central Bank on the insurance sector, each correct answer being evaluated with 2 points.

5.3. In closed-type test tasks, the corresponding answer of the participant who considers two or more answers, including the correct answer, to be correct, is evaluated as a wrong answer. Wrong answers do not affect the result of correct answers.

5.4. During the exam, it is forbidden to use written, electronic or any other information materials, as well as talk with other people about the content of test tasks. Exam results of the person who fails to comply with this ban will be canceled.

5.5. A candidate is considered to have successfully passed the relevant exam when he/she scores at least 60 points for each exam specified in sub-items 3.4.1-3.4.4 herein and collects the credit score specified in Item 5.6 herein. A candidate is considered to have successfully passed the exam when he/she scores at least 60 points on the exam specified in sub-item 3.4.5 herein. Those who have collected at least 60 credit scores on the exams specified in sub-items 3.4.1-3.4.4 herein are admitted to the exam on the subject specified in sub-item 3.4.5 herein.

5.6. A candidate who successfully passes the exams specified in sub-items 3.4.1-3.4.4 herein collects the following credit scores:

5.6.1. 20 credit scores on the exam specified in sub-item 3.4.1.

5.6.2. 20 credit scores on the exam specified in sub-item 3.4.2.

5.6.3. 330 credit scores on the exam specified in sub-item 3.4.3.

5.6.4. 330 credit scores on the exam specified in sub-item 3.4.4.

5.7. A candidate is considered to have passed the certification for obtaining an actuarial certificate when:

5.7.1. he/she collects at least 60 credit scores in accordance with Item 5.6 herein subject to Item 3.5 herein.

5.7.2. he/she successfully passes the exam specified in sub-item 3.4.5 herein.

5.8. When the actuarial certificate of a person certified in accordance with Item 5.7 herein expires, to obtain a new actuarial certificate, he/she should only pass the exam specified in sub-item 3.4.5 herein. The person who passes the mentioned exam is considered to have passed the certification.

5.9. Exams on the topics specified in sub-items 3.4.1-3.4.4 herein are organized twice a year, every 6 (six) months. At least two months before the day of the relevant exam, the

place and time of the exam is announced on the official website of the Central Bank. The exam specified in sub-item 3.4.5 herein is held at least twice a year, and at least 15 (fifteen) working days before the day of the exam, the place and time of the exam is announced on the official website of the Central Bank.

6. Information on results of certification

6.1. Information on results of participants who took part in the exam determined by this Regulation is posted on the official website of the Central Bank within 10 (ten) working days after the exam.

6.2. A written notice on results of the exam is delivered to persons who successfully pass the exams specified in sub-items 3.1.1 and 3.4.5 herein within 10 (ten) working days.

6.3. The Central Bank provides an indefinite certificate per exam to those who successfully pass the exams specified in sub-items 3.4.1-3.4.4 herein within 15 (fifteen) working days.

7. Validity of certification results

7.1. Examination results of individuals who successfully completed the attestation under the requirements of this Regulation to obtain an insurance intermediary license but did not obtain the relevant insurance intermediary license within 3 years after the examination date, are deemed invalid.

~~7.2. Except an individual seeking to obtain an actuarial certificate, in cases where a person willing to become a manager of an insurer who has successfully passed attestation does not work in a relevant position in the insurance sector for three consecutive years, that person is required to be re-certified.~~

7.3. The head of the executive body of the insurance broker who is a legal entity and the executive body of a legal entity exclusively engaged in insurance agent activities, the individual insurance intermediary, as well as the persons specified in Articles 83.3 and 88.4 of the Law are required to undergo attestation at the Central Bank once every five years, this duration is counted from the date of their last attestation at the Central Bank.

Photo
3x4

QUESTIONNAIRE

of individuals seeking to become the head of the legal entity insurance broker and the legal entity exceptionally engaged in insurance agent activities

1. Name _____
(First, last, middle names)

2. Date of birth _____
(Day, month, year)

3. Place of birth _____
(Country, city, district)

4. Personal identification number (if none, provide the ID card number)

5. Citizenship _____

6. Registration address _____
(Country, city, district, street, house, apartment, zip code)

7. Actual address (if different from the registration address)

(Country, city, district, street, house, apartment, zip code)

8. Contact number(s) _____
(home) (work) (mobile)

9. E-mail address(es) (if any) _____

10. The following information about the claimed position:

a) the name of the claimed position

b) reasons for replacement if there was a previous replacement for this position.

11. Last and first names used or changed

Indicate all other former names, reasons for their use or change, as well as the period of use (maiden name, name from previous marriages, legally or otherwise changed names, etc.).

<i>First and last names</i>	<i>Period of use</i>	<i>Reasons for change</i>

12. Education

<i>Name of the educational institution</i>	<i>Period</i>	<i>Qualification</i>	<i>Series and number of the diploma or another document on education</i>	<i>Education level</i>

13. Information on your employment (main and additional) and activities

a) Please provide the following information about your main and additional place of employment in a chronological order (start with the last place of employment).

<i>Name of the organization</i>	<i>Position</i>	<i>Period of employment</i>	<i>Reason to leave</i>	<i>Main or additional employment</i>

b) The type and period of self-employment _____

14. Civil impeccability information

a) Do you have a criminal record?

- Yes
 No

Date of conviction and article of criminal law _____

b) Have you been brought to criminal liability for committing grave or particularly grave crimes against property and economic activity in the past?

- Yes
 No

Date of conviction and article of criminal law _____

c) Have you been deprived of the right to hold a certain position or engage in professional activity by a court decision?

- Yes
- No

Date of deprivation, title of position or activity you are deprived of duration of deprivation _____

d) Have you been declared bankrupt by court order?

- Yes
- No

Date of declaring bankrupt _____

e) Do you have any past or present criminal dealings with persons with whom you have a common interest that does not meet the requirements listed in paragraphs a-d of this section?

- Yes
- No

Information on that/those person/s _____

15. Business reputation and other information

a) Are you currently under prosecution?

- Yes
- No

Article of the criminal law under which criminal prosecution is maintained _____

b) Have you been found guilty of committing any administrative offense resulting from entrepreneurial or professional activity, as well as non-performance or improper performance of duties by the decision of a court or other authority in the last 5 years?

- Yes
- No

Date of the decision and the name and nature of the administrative offence _____

c) Are you currently acting in civil and commercial litigation, including as an opposing party to your designated supervised entity?

- Yes
- No

Information about which subject you are participating in proceedings and the type of claim _____

d) Have you been involved to processes of determining the legal entity's activity strategy and making decisions before the date of making the decision on liquidation or bankruptcy in a legal entity that was forced to liquidate or was declared bankrupt due to the deterioration of its financial condition?

Yes

No

Name of the legal entity and period of your activity in the said legal entity _____

d) Have you been dismissed or released from your position by the decision of any authority and (or) employer?

Yes

No

The name of the decision-making authority and (or) employer, the date of the decision and the reason for your dismissal _____

e) Specify the information about the legal entities or foreign legal entities you participate(d) in.

No	Name of the legal entity or the foreign legal entity	Participation share (percent)	Amount of the participation share (AZN)

f) Specify the following information on the legal entities (limited liability company, joint-stock company, business partnership, etc.) where you are a member of the supervisory board (board of directors), executive body, revision commission, audit committee, or an employee or other head of the internal audit service (department).

No	Name and address of the legal entity	Type of activity	Position	Period	
				from	to

g) Business partners

Individuals who are other founders or beneficial owners of the legal entity or foreign legal entity you are participating in (specify whether they are founders or beneficial owners):

First, last, middle names of founders and/or beneficiary owners	Name of the legal entity or the foreign legal entity	Participation share (percent)

Other individuals you have a business relationship with:

<i>Individual's first, middle and last names</i>	<i>Nature of entrepreneurship relationship</i>

h) Have you engaged in any type of activity that is licensed (permit required) in the past or currently?

- Yes*
 No

Type of licensed activity (permit required) _____

I) Has your license (permit) been revoked?

- Yes*
 No

Ground for license (permit) revocation _____

j) If you have any additional information that proves you are a fit and proper person or your expertise, please specify. _____

k) Do you have any financial liabilities in relation to the supervised entity for which your nomination is submitted?

- Yes*
 No

Specify the information on your financial liability _____

I confirm the accuracy of the information provided in this questionnaire and commit to notifying the Central Bank of any changes to this information. I have no objections to the retrieval of additional documents or information about me upon request from independent and reliable sources, as well as from public authorities or institutions.

Signature: _____

Date: _____

Photo
3x4

QUESTIONNAIRE
of persons seeking to be licensed (certified) in insurance intermediation

1. **Name** _____
(First, last, middle names)

2. **Date of birth** _____
(Day, month, year)

3. **Place of birth** _____
(Country, city, district)

4. **Personal identification number (if none, provide the ID card number)** _____

5. **Citizenship** _____

6. **Registration address** _____
(Country, city, district, street, house, apartment, zip code)

7. **Actual address (if different from the registration address)**

(country, city, district, street, house, apartment, zip)

8. **Contact number(s)** _____
(home) (work) (GSM)

9. **E-mail address(es) (if any)** _____

10. **Objective of the appeal**

(Obtain a license/to be certified)

11. **Last and first names used or changed**

Indicate all other former names, reasons for their use or change, as well as the period of use (maiden name, name from previous marriages, legally or otherwise changed names, etc.).

<i>Last, first names</i>	<i>Period of use</i>	<i>Reasons for change</i>

12. Information on your employment (main and additional) and activities

a) Please provide the following information about your main and additional place of employment in a chronological order (start with the last place of employment).

<i>Name of the organization</i>	<i>Position</i>	<i>Period of employment</i>	<i>Reason to leave</i>	<i>Main or additional employment</i>

b) The type and period of self-employment _____

13. Civil impeccability information

a) Do you have a criminal record?

- Yes
- No

Date of conviction and article of criminal law _____

b) Have you been brought to criminal liability for committing grave or particularly grave crimes against property and economic activity in the past?

- Yes
- No

Date of conviction and article of criminal law _____

c) Have you been deprived of the right to hold a certain position or engage in professional activity by a court decision?

- Yes
- No

Date of deprivation, title of position or activity you are deprived of, duration of deprivation _____

d) Have you been declared bankrupt by court order?

- Yes
- No

Date of declaring bankrupt _____

e) Do you have any past or present criminal dealings with persons with whom you have a common interest that does not meet the requirements listed in paragraphs a-d of this section?

- Yes
- No

Information on that/those person(s) _____

14. Business reputation and other information

a) Are you currently under prosecution?

- Yes
- No

Article of the criminal law under which criminal prosecution is maintained _____

b) Have you been found guilty of committing any administrative offense resulting from entrepreneurial or professional activity, as well as non-performance or improper performance of duties by the decision of a court or other authority in the last 5 years?

- Yes
- No

Date of the decision and the name and nature of the administrative offence _____

c) Are you currently acting as a party in civil and commercial litigation?

- Yes
- No

Information about which subject you are participating in proceedings and the type of claim _____

d) Have you been involved to processes of determining the legal entity's activity strategy and making decisions before the date of making the decision on liquidation or bankruptcy in a legal entity that was forced to liquidate or was declared bankrupt due to the deterioration of its financial condition?

- Yes
- No

Name of the legal entity and period of your activity in the said legal entity _____

e) Have you been dismissed or released from your position by the decision of any authority and (or) employer?

- Yes
- No

The name of the decision-making authority and (or) employer, the date of the decision and the reason for your dismissal _____

f) Specify the information about the legal entities or foreign legal entities you participate(d) in.

<i>No</i>	<i>Name of the legal entity or the foreign legal entity</i>	<i>Participation share (percent)</i>	<i>Amount of the participation share (AZN)</i>

g) Specify the following information on the legal entities (limited liability company, joint-stock company, business partnership, etc.) where you are a member of the supervisory board (board of directors), executive body, revision commission, audit committee, or an employee or other head of the internal audit service (department).

<i>No</i>	<i>Name and address of the legal entity</i>	<i>Activity type</i>	<i>Position</i>	<i>Period</i>	
				<i>from</i>	<i>to</i>

h) Business partners

Individuals who are other founders or beneficial owners of the legal entity or foreign legal entity you are participating in (specify whether they are founders or beneficial owners):

<i>First, last, middle names of founders and/or beneficiary owners</i>	<i>Name of the legal entity or the foreign legal entity</i>	<i>Participation share (percent)</i>

Other individuals you have a business relationship with:

<i>Individual's first, middle and last names</i>	<i>Nature of entrepreneurship relationship</i>

g) Have you engaged in any type of activity that is licensed (permit required) in the past or currently?

- Yes
 No

Type of licensed activity (permit required) _____

ğ) Has your license (permit) been revoked?

- Yes

No

Ground for license (permit) revocation _____

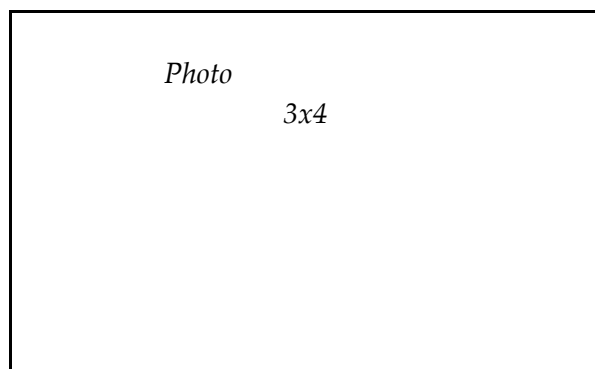
h) If you have any additional information that proves you are a fit and proper person or your expertise, please specify.

Note: Parts 13 and 14 of this Questionnaire are not filled in by the persons specified in Articles 83.3 and 88.4 of the Law.

I confirm the accuracy of the information provided in this questionnaire and commit to notifying the Central Bank of any changes to this information, Furthermore, should more than a year elapse between the day of my attestation and the date of application for the insurance intermediation license, I commit to completing the form anew and submitting it to the Central Bank. I have no objections to the retrieval of additional documents or information about me upon request from independent and reliable sources, as well as from public authorities or institutions.

Signature: _____

Date: _____



QUESTIONNAIRE
for persons seeking to obtain actuarial certification

1. Name _____
(First, last, middle names)
2. Date of birth _____
(Day, month, year)
3. Place of birth _____
(Country, city, district)
4. Personal identification number (if none, provide the ID card number) _____
5. Citizenship _____
6. Registration address _____
(Country, city, district, street, house, apartment, zip code)
7. Actual address (if different from the registration address)

(Country, city, district, street, house, apartment, zip code)
8. Contact number(s) _____
(home) (work) (GSM)
9. E-mail address(es) (if any) _____
10. Name of the first exam you will participate in _____
11. Last and first names used or changed

Indicate all other former names, reasons for their use or change, as well as the period of use (maiden name, name from previous marriages, legally or otherwise changed names, etc.).

Last, first names	Period of use	Reasons for change

12. Education

Specify information about your education.

<i>Name of the educational institution</i>	<i>Period</i>	<i>Qualification</i>	<i>Series and number of the diploma or another document on education</i>	<i>Education level</i>

13. Civil impeccability information

a) Do you have a criminal record?

- Yes
 No

Date of conviction and article of criminal law _____

b) Have you been brought to criminal liability for committing grave or particularly grave crimes against property and economic activity in the past?

- Yes
 No

Date of conviction and article of criminal law _____

c) Have you been deprived of the right to hold a certain position or engage in professional activity by a court decision?

- Yes
 No

Date of deprivation, title of position or activity you are deprived of, duration of deprivation

d) Date of deprivation, title of position or activity you are deprived of, duration of deprivation? _____

- Yes
 No

Information on that/those person(s) _____

I confirm the accuracy of the information provided in this questionnaire and commit to notifying the Central Bank of any changes to this information. I have no objections to the retrieval of additional documents or information about me upon request from independent and reliable sources, as well as from public authorities or institutions

Signature: _____

Tarix: _____