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Republic of Moldova

THE PARLIAMENT

LAW
on the business of insurance and reinsurance
No 92 of 7 April 2022

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Parliament adopts this organic law.

This law transposes in part the Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II), published in the Official Journal of the European Union L 335 of 17 December 2009, as last amended by the Directive (EU) 2018/843 of the European Parliament and of the Council of 30 May 2018 amending the Directive (EU) 2015/849 on the prevention of the use of the financial system for the purpose of money laundering or terrorism financing, and amending the Directives 2009/138/EC and 2013/36/EU, published in the Official Journal of the European Union L 156/43 of 19 June 2018.

Chapter I
GENERAL PROVISIONS

Article 1. Subject matter and purpose of the law

(1) This law governs:

a) authorization and carrying out the business of insurance or reinsurance, insurance and/or reinsurance intermediation on the territory of the Republic of Moldova;

b) prudential requirements for insurance or reinsurance undertakings, insurance and/or reinsurance intermediaries;

c) supervision of insurance or reinsurance groups;

d) the regime of insurance or reinsurance undertakings that face difficulties;

e) reorganization and winding-up of insurance or reinsurance undertakings;

f) powers and tasks of the supervisory authority, its cooperation with other authorities, entities and individuals.

(2) The provisions of this law do not cover state social insurance, compulsory healthcare insurance and non-state pension funds. They shall apply accordingly to reinsurance undertakings unless otherwise specified in this Law.

(3) The purpose of this law is to ensure the stability, transparency and freedom to provide services in the insurance and reinsurance sector, to prevent systemic risks, and to protect the rights and interests of insurance agreement parties, insureds, reinsurers, insurance beneficiaries, third parties and others parties whose rights may be infringed.

Article 2. Scope

(1) The provisions of this law shall apply to:

a) undertakings applying for a license to carry out insurance or reinsurance business in accordance with this law;

b) undertakings holding a licensed to carry out insurance and/or reinsurance business and operate on the territory of the Republic of Moldova, as well as their branches in third countries;

c) branches of third-country insurance or reinsurance undertakings in respect of their business

conducted in the Republic of Moldova;

d) legal or natural persons requesting authorization or licensing for carrying out the business of mediation or carrying out insurance and/or reinsurance mediation and other related business provided by this law.

(2) During the clearance, licensing, notification and approval processes provided by this law, the provisions of Law No 160/2011 on Regulation through Authorization of the Entrepreneurial Activity shall not apply.

(3) The provisions of other laws apply accordingly to insurance or reinsurance undertakings unless otherwise provided in this law.

Article 3. Legal framework

The legal framework concerning the business of insurance and reinsurance on the establishment and development of relations between insurance or reinsurance undertakings, insured parties, insureds, insurance beneficiaries, reinsurers, third parties and others parties whose rights may be infringed consists of the Constitution of the Republic of Moldova , Civil Code of the Republic of Moldova, this law, other normative acts, including those enacted by the supervisory authority to enforce this law, as well as international agreements in the field to which the Republic of Moldova is a party.

Article 4. Definitions

For the purposes of this Law, the following concepts shall mean:

potential buyer - any natural or legal person or group of such persons acting in concert, who intends to acquire, by any means, directly or indirectly, including as a beneficial owner, shares in the capital of an insurance or reinsurance undertaking in connection with an acquisition proposed;

proposed purchase - decision taken by a potential acquirer in order to gain, by any means, directly or indirectly, including as a beneficial owner, a qualifying holding in an insurance or reinsurance undertaking or to increase its qualifying holding so that the proportion of its voting rights or holding in the share capital reaches or exceeds the level of 10%, 20%, 33% or 50% or so that the insurance or reinsurance undertaking becomes its branch;

insurance activity (business) - activity consisting mainly in the submission of offers, negotiation and conclusion of insurance and/or reinsurance contracts, collection of premiums, settlement of claims, conducting redress claims and recovering damages;

reinsurance activity - an activity consisting in taking over the risks assigned by a resident insurance or reinsurance undertaking or from a third country;

insurance and/or reinsurance intermediation- activity consisting of presentation or submission of tenders to contract insurance and/or reinsurance services, other preparatory actions concerning the conclusion of such contracts, the conclusion thereof or contribution to contract management, in particular in the event of claims and/or insurance indemnities;

actuary - natural person specialized in financial risk assessment trough actuarial (statistical, mathematical and economic) methods, holder of an actuary qualification certificate issued by the supervisory authority;

significant shareholder - natural or legal person exercising directly and independently or through other natural or legal persons, or in collaboration with them, acting in concert, rights related to the holding of the qualified participation;

bancassurance agent - a commercial bank and/or a branch of a third-country bank operating in the Republic of Moldova, a savings and credit association, a non-banking credit organization which, entitled based on the mandate granted by the insurance undertaking, has the right to conclude, on behalf and on the account of the insurance company insurance contracts with third parties according to the terms provided in the mandate contract, and may not have any other quality on the

insurance market;

insurance agent - a natural or legal person conducting a professional activity on based on the mandate granted by the insurance undertaking, entitled to conclude, on behalf and on the account of the insurance undertaking, insurance contracts with third parties, under the conditions provided in the mandate contract without possessing the quality of insurer, reinsurer, bancassurance agent or insurance and/or reinsurance broker;

insurance- transfer of an eventual risk, including the risk posed to life, health and assets of a person, from the insured party to the insurance and/or reinsurance undertaking, accordance to the insurance contract;

insured party - a person who has concluded or for whom an insurance contract has been concluded with the insurance undertaking;

brokering assistant - a natural or legal person authorized, based on a contract concluded with an insurance and/or reinsurance broker and under a professional third-party liability contract of that broker, to conduct certain activities required for the enforcement of the brokering mandate;

assistance - provision by the insurance and/or reinsurance undertaking, the insurance and/or reinsurance broker or any legal person, based on a cooperation agreement, in the event of insured risk, of assistance to the contractor, the insured, the reinsured, the beneficiary of the insurance and the injured third party or, eventually another insurance or reinsurance undertaking, which consists in organizing the provision of technical, medical, financial and legal services related to the liquidation of the claim;

supervisory authority - National Bank of Moldova;

beneficiary of the insurance - a natural or legal person insured or appointed by the contracted party, who receives the compensation and/or indemnity or benefits provided in the insurance contract;

beneficiary owner - a natural person ultimately holding or controlling the potential acquirer or the direct or indirect holder of a shareholding in the share capital of the insurance and/or reinsurance undertaking equal to or greater than the qualifying holding;

national insurers' bureau (hereinafter - national bureau) - professional organization established according to the Recommendation No 5 of January 25, 1949, adopted by the Road Transport Subcommittee of the Inland Transport Committee under the United Nations Economic Commission for Europe, which groups the insurers authorised to carry out compulsory motor third party liability insurance;

insurance and/or reinsurance broker - legal person registered in the Republic of Moldova which, under the conditions of this law, negotiates for its clients, natural or legal persons, insured or reinsured or potentially insured or reinsured parties, concludes insurance and/or reinsurance contracts and provides consultancy and risks inspection services and provides assistance during the enforcement of contracts or in connection with the settlement of damages;

acquisition costs - expenses for the conclusion of insurance and/or reinsurance contracts, which encompass both directly attributable expenses, such as acquisition fees and the costs of opening the file or accepting contracts in the portfolio, as well as indirectly attributable expenses, such as marketing expenses and administrative costs related to the processing of applications and the issuance of insurance policies;

insurance contract party - natural or legal person who has an insurance contract concluded with an insurer;

control - relationship between a parent undertaking and a branch or relationship of similar nature between any person and an undertaking;

correspondent - any insurance or reinsurance undertaking or any other legal person appointed by one or more non-resident insurance or reinsurance undertakings in the Republic of Moldova, upon prior approval of the national bureau, for the purpose of settling claims arising out of motor vehicle accidents on the territory of the Republic of Moldova for which the insurance or reinsurance undertaking or the non-resident insurance or reinsurance undertakings have issued a compulsory

motor third party liability insurance policy valid on the territory of the Republic of Moldova;

insurance compensation - the amount due or paid by the insurance undertaking to the insured party, the beneficiary of the insurance or to a third party injured in order to compensate for the damage caused by the insured case, within the limits provided by the insurance contract;

regulated entity - regulated entity within the meaning of Law No 250/2017 on the additional supervision of banks, insurers/reinsurers and investment firms belonging to a financial conglomerate;

outsourcing - agreement between an insurance or reinsurance undertaking and a service provider, whether or not it is a supervised entity, through which it carries out a process, service or activity which would otherwise have been carried out by the insurance and/or reinsurance undertaking itself;

guarantee fund - fund of financial means consisting of contributions from insurance undertakings to protect the interests of insured parties, policyholders, beneficiaries and third parties through reimbursement of premiums, payment of benefits and compensations, resulting from compulsory and voluntary (optional) insurance contracts, in the event of finding the insurer's insolvency;

function - internal capacity to perform specific tasks within a governance system that includes the risk management, compliance, internal audit, actuarial and other types of functions;

group - a group of undertakings consisting of a participating undertaking, its subsidiaries and entities in which that participating undertaking or its subsidiaries hold a participation, as well as a group of entities linked to each other through the following relationship:

a) two or more entities are managed together based on a concluded contract or the provisions of the articles of its statute;

b) the management bodies of two or more entities include the same persons representing the majority, exercising their functions during the management period before the drawing up of the consolidated financial statements;

insurance holding - parent undertaking which is not a mixed financial holding but which acquires and holds a majority or exclusive participation in the subsidiaries that represent insurers or reinsurers, at least one of which is an insurer or a reinsurer;

mixed financial holding - parent undertaking, other than a regulated entity, which together with its subsidiaries, of which at least one is a regulated entity established in the Republic of Moldova, and together with other entities represents a financial conglomerate;

mixed insurance holding - the parent undertaking, other than an insurance or reinsurance undertaking, which is not an insurance holding or a mixed financial holding, where at least one of its subsidiaries is an insurer or reinsurer;

insurance indemnity - amount due or paid by the insurance undertaking to the insured party/insured, the beneficiary of the insurance and the third party injured following the occurrence of the risk provided for based on and within the limits of the insurance contract;

confidential information - any information concerning a professional participant in the insurance market, which represent commercial, tax or other secret protected by law, as well as any information held by the supervisory authority for the purpose or in connection with the exercise of its powers, the disclosure of which could damage the interest or dignity of the person to whom it relates;

insurance intermediary - natural or legal person who carries out insurance intermediation activity in return for a remuneration and who possesses the quality of insurance broker, insurance agent or bancassurance agent;

reinsurance intermediary - reinsurance broker engaged in reinsurance intermediation in return for a remuneration;

closed links - closed links within in the light of Law No 171/2012 on the capital market;

brokering mandate - mandate contract concluded between the insured or reinsured or the potential insured or reinsured party, as a client and the insurance and/or reinsurance broker, whereby the former entrusts the latter to negotiate the conclusion of insurance and/or reinsurance contracts, to

provide assistance before and during the contract period or in connection with the settlement of damages, as appropriate;

risk measurement - mathematical function that assigns a monetary value to a given probability distribution forecast and increases uniformly with the level of risk exposure that underlies that probability distribution forecast;

Participation - holding, directly or through control, of at least 20% of the voting rights or of the capital of an insurance or reinsurance undertaking within a group supervision;

qualifying participation - holding by a person, directly or indirectly, at least 10% of the voting rights or share capital of an insurance or reinsurance undertaking or any other possibility of exercising significant influence over the management of the insurance or reinsurance undertaking in which that participation is held;

professional participant on the insurance market - insurance or reinsurance undertaking, a subsidiary of a third-country insurance or reinsurance undertaking, an insurance and/or reinsurance intermediary, which carries on business under this law, the national bureau;

persons holding key positions - personnel members whose position give them significant influence over the direction of the insurance or reinsurance undertaking but are not members of the management body and who hold the risk management function, the compliance function, the internal audit function, the actuarial function, as well as chief accountants, CFOs, heads of claims department;

person with management positions - person who, being invested by law, bylaws or administrative act, assumes obligations and exercise independently or jointly with other persons functions on behalf and on account of the insurance or reinsurance undertaking, of insurance and/or reinsurance intermediary and of the national bureau and who is members of the undertaking's board, of the executive body, manager of the subsidiary;

regulated market - market regulated under the Law No 171/2012 on the capital market;

gross written premium - a premium calculated by the insurance or reinsurance undertaking according to an insurance and/or reinsurance contract before applying of any deduction from it;

insurance premium - the amount to be paid by the insured party to the insurance undertaking when issuing an insurance policy, according with the schedule provided in the insurance contract, in exchange for the coverage by insurance undertaking of the insured risk;

net written premium - gross premium calculated by the insurance or reinsurance undertaking, under an insurance and/or reinsurance contract, after deduction from it of the part of premium that is transferred for reinsurance;

supervision process - a continuous, flexible and iterative process in which the prospective (detailed) supervision of the insurance or reinsurance undertaking is based on risks and at least on the following principles:

a) proportionality;
b) qualified reasoning;
c) documentation;

non-proportional reinsurance - reinsurance whereby the reinsurance undertaking assumes the obligation to carry out the insurance compensation when the occurrence of the events provided for in the insurance contract in an amount exceeding the own retention of the reinsured part;

proportional reinsurance - distribution of the premium and the insured amount in proportion to the distribution of the risk between the parties to the reinsurance contract;

own retention - part of the risk that remains under the responsibility of the insurance or reinsurance undertaking after the ceding of the risk in reinsurance;

concentration risk - all risk exposures that have a sufficiently high loss potential to jeopardize the solvency or financial position of insurance or reinsurance undertakings;

credit risk - the risk of loss or of adverse change in the financial situation resulting from fluctuations in the creditworthiness of issuers of securities and any other debtors to which insurance or reinsurance undertakings are exposed;

liquidity risk - the risk that the insurance or reinsurance undertakings are not able to sell-off investments and other assets in order to meet their financial obligations when they fall due;

operational risk - the risk of loss related to inappropriate or dysfunctional internal processes, personnel or systems, or related to external events;

market risk - the risk of loss or risk of adverse change in the financial position resulting from fluctuations in the level and volatility of market prices of assets, liabilities and financial instruments;

underwriting risk - the risk of loss or of adverse change in the value of insurance liabilities due to certain inappropriate assumptions concerning pricing and provisions;

single risk - the risk that could cause damage to a single good, work capacity, life or health of a single person;

insurance undertaking or insurer - a legal entity that carries out insurance activity based on a license for it granted by the supervisory authority. The definition of insurance undertaking, which does not contain the mention "from a third country" applies to insurance undertakings headquartered in the Republic of Moldova;

composite insurance undertaking or composite insurer - an insurer who holds a license to underwrite both "general insurance" and "life insurance";

reinsurance undertaking or reinsurer - legal person carrying out reinsurance business to conduct reinsurance business based on a license granted by the supervisory authority. The definition of *reinsurance undertaking*, which does not contain the wording "from a third country", applies to reinsurance undertakings headquartered in the Republic of Moldova;

parent undertaking - insurance or reinsurance undertaking which fulfils the following conditions:

a) holds the majority voting rights in an undertaking (subsidiary);

b) has the right to appoint and dismiss members of the management bodies of an undertaking (subsidiaries) and is simultaneously a shareholder or associate in that undertaking;

c) has the right to exercise a dominant influence over an undertaking (subsidiary), where it is a shareholder or an associate, under a contract concluded with that undertaking or based on a clause in the articles of association of that undertaking, if the legislation governing the subsidiary allows it to be subject to such contracts or clauses;

d) is a shareholder or associate of a commercial undertaking (subsidiary) and the majority of the members of the management body of that undertaking (subsidiary), exercising their positions during the ongoing management period, the previous management period and before the date of drawing up the consolidated financial statements, have been appointed following the exercise of their voting right; this provision does not apply in the situation where another person has the rights provided in letters. a), b) or c) in regard of the undertaking (subsidiary);

e) is a shareholder or associate of an undertaking (subsidiary) and controls independently, based on an agreement concluded with other shareholders or associates of that undertaking (subsidiary), the majority of the voting rights in that undertaking (subsidiary);

f) exercises effectively a dominant influence over another undertaking (subsidiary) according to the criteria provided in the normative acts of the supervisory authority;

Participating insurance or reinsurance undertaking - insurance or reinsurance undertaking which is either a parent company or another insurance or reinsurance undertaking which holds at least 20% in a commercial undertaking (subsidiary) or an insurance or reinsurance undertaking linked to another undertaking under a contract or on the ground of a clause from the articles of association or the bylaws of the undertaking;

home state - the state in which the head office is situated and the insurance or reinsurance undertaking is licensed;

host state - the state other than the state of origin in which an insurance or reinsurance undertaking has a branch;

branch - a separate subdivision of the insurance or reinsurance undertaking, located outside its headquarters, which apparently is permanent, its own management and equipment necessary to carry out part or all of the undertaking's activities, established in the Republic of Moldova or in a third country;

subdivision - a separate structural entity of the legal person, located outside its headquarters, which has the necessary material endowment to carry out part of the activities of the legal person, without having a separate balance sheet;

insured amount - maximum limit of the liability of the insurance undertaking in the event of occurrence of the risk for which the insurance contract was concluded;

group supervisor- supervisory authority responsible for the supervision of a group;

insurance rate – the rate (calculated per unit of the insured amount) of the insurance premium paid by the insured for a certain period of time;

risk mitigation techniques - techniques enabling insurance or reinsurance undertakings to transfer all or part of their risks to a third party;

intragroup transaction - any transaction by which an insurance or reinsurance undertaking relies directly or indirectly on other undertakings within the same group or any natural or legal person that has close links with the undertakings within the same group for the fulfilment of its obligations, regardless of their nature;

unit of the insurance or reinsurance undertaking - headquarters or any of its branches.

[Art.4 amended by Law No 259 of 21.11.2024, in force as of 26.11.2024]

Article 5. Mandatory insurance and voluntary (optional) insurance

(1) Based on how the legal relationships are performed, there are two forms of insurance: compulsory and voluntary (optional).

(2) In the mandatory insurance, the relationship between the insured and the insurance undertaking, the rights and obligations of each party, the terms and the manner of their implementation are determined by law.

(3) In voluntary (optional) insurance, the relationship between the insured and the insurance undertaking, the rights and obligations of each party are determined by the insurance contract. The provisions of the insurance contract may not exceed the provisions of insurance terms. The terms of voluntary (optional) insurance are set out by the insurance undertaking, in accordance with the legislation and regulations of the National Commission for Financial Markets.

(4) Clearance and determination of occurred insured risks, assessment of damages, the establishment and payment of insurance compensations and/or benefits shall be carried out according to the law for mandatory insurance or based on insurance terms and insurance contract for voluntary (optional) insurance.

[Art.5 par.(3) amended by Law No 174 of 11.07.2024, in force as of 02.08.2024]

Article 6. Insured amount

(1) The insurance compensation and/or benefit is paid by the insurance undertaking in financial means, both by bank transfer and by cash. When the payment of the insurance compensation is made without the restoring or repairing of the goods through provision of services, the value added tax will be deducted from the compensation.

(2) The compensation of the damage by restoring or repairing the goods through provision of

services is allowed only with the written consent of the person entitled to receive the compensation and/or the insurance benefits.

(3) If the investigation period lasts more than one month, the insured party or eventually the insurance beneficiary and the injured third party shall be entitled to claim an advance payment corresponding and proportionally to the probable payment obligation, provided that the obligation to pay the compensation and/or the insurance benefits and its amount do not raise any doubts. The advance is going be paid without undue delay.

(4) If the payment period of the insurance compensation and/or benefit is violated due to the fault of the insurance undertaking, it shall pay to the insured party, the beneficiary of the insurance and the injured third party a penalty of 0,1% of the amount of the insurance compensation and/or benefits for each day of delay. Agreements by which the insurance undertaking is released from the obligation to pay any eventual delay interest or penalties, as appropriate, shall be deemed void.

(5) The insurance contract may provide for a deductible, which represents the part of the damage, which the insurer does not compensate and sets it out as a fixed amount or as a percentage of the insurance compensation or insured amount.

Article 7. Insurance premium

(1) The payment of the insurance premium shall be made in full or in instalments payable on the due dates agreed in the contract, at the headquarters of the insurance undertaking or its representatives, unless otherwise provided in the insurance contract.

(2) For mandatory insurances, premiums are calculated according to the specific laws.

(3) For voluntary (optional) insurances, premiums, rates and benefits are calculated by the insurance undertakings. The exact amount of the insurance premium is set out in the insurance contract with the mutual agreement of the parties.

(4) When calculating insurance premiums, rates and benefits, the insurance undertakings are prohibited to establish different premiums, rates and benefits based on discriminatory criteria.

(5) The proof of payment of the insurance premiums will be provided by the insured party, the ascertaining document being any document proving the payment provided by the legislation.

Article 8. Insurance of foreign and stateless natural and legal persons

Foreign natural and legal persons and stateless persons conducting business on the territory of the Republic of Moldova have the same rights and obligations regarding the negotiation with regards to the negotiation, conclusion and enforcement of insurance contracts as the natural and legal persons of the Republic of Moldova.

Chapter II
REGULATION OF THE BUSINESS

Section 1
Licensing of insurance or reinsurance undertakings

Article 9. General provisions

(1) The business of insurance or reinsurance may be carried out on the territory of the Republic of Moldova only based on license issued by the supervisory authority, under the conditions of this law and other legislative acts.

(2) The insurance or reinsurance undertaking establish themselves in the organizational legal form of joint stock companies according to the legislation on joint stock companies and according to this law. The provisions of this paragraph shall not apply to branches of third-countries insurance or reinsurance undertakings.

(3) For the purposes of par. (2) of this article, the provisions of art. 70 and 71 and any other provisions of Law No 1134/1997 on joint stock companies which, directly or indirectly, refer to the committee of auditors are not applicable in the event of insurance or reinsurance undertakings.

(4) The insurer may not be registered without the prior consent of the supervisory authority. The insurance or reinsurance undertaking cannot operate changes to the State Register of Legal Entities without the prior approval of the supervisory authority.

(5) The license to pursue the business of insurance or reinsurance shall be obtained by:

a) undertakings registered on based on the prior consent of the supervisory authority for the purpose of carrying out insurance or reinsurance business;

b) branches of third-country insurance or reinsurance undertakings registered based on the prior consent of the supervisory authority in respect of their business in the Republic of Moldova;

c) insurance or reinsurance undertakings which extend their business to an entire insurance class or reinsurance business, or to classes or reinsurance business other than those for which the license is held.

(6) A written license application shall be submitted to the supervisory authority for the issuance of the license to carry out the activities permitted to insurance or reinsurance undertakings, together with the documents and/or information relating to the applicant concerning:

a) the undertaking's establishment documents;

b) the share capital of the undertaking according to the absolute floor of the minimum capital requirement as provided in the art. 74;

c) the governance system and the management bodies of the undertaking as provided in the art. 34 and 35;

d) the identity details of the shareholders as provided in the art. 30 and 31;

e) the business plan for the next 3 years as provided in the art. 11;

f) any other documents and/or information provided in the regulatory acts of the supervisory authority.

(7) During the examination of a license application, the supervisory authority shall request from the applicant any additional documents and/or information relating to the licensing if the information provided is insufficient to assess compliance with the conditions for the granting of the license.

(8) The insurance undertaking develops its activity under a license issued for the business of "life insurance" and/or "non-life insurance".

(9) The insurance classes from the categories specified in par. (8) are set out in the annex to

this law.

(10) The insurance or reinsurance undertaking has the right to pursue business within the limits of the insurance classes or reinsurance business for which it has obtained a license under the conditions of this law. The right to pursue a business within the 10th class form section B of the annex is granted and clearly specified separately in the annex to the license for domestic compulsory motor third party liability insurance or domestic/foreign compulsory motor third party liability insurance.

(11) The license covers the entire insurance class, unless the applicant wishes to cover only a part of the risks belonging to that class.

(12) By derogation from par. (8), the insurance undertaking that underwrites the "life insurance" risks may also underwrite without holding a license for the "non-live insurance" the risks covered by classes 1 and 2 listed in section B of the Annex if they are considered ancillary risks for classes in the "life insurance" category.

(13) The insurance undertaking, which has obtained a license for a main risk from an insurance class set out in the Annex may also insure against risks covered by another insurance class, without the need to obtain a license for those risks, provided that the risks:

a) are related to the main risk;
b) refer to the object that is covered against the main risk;
c) are covered by the contract governing the main risk.

(14) By derogation from par. (13), the risks encompassed in classes 14, 15 and 17 listed in sub-section B of the Annex cannot be regarded as ancillary risks for other classes of insurance. However, the legal protection insurance provided in the class 17 may be considered as an ancillary risk of class 18 if the conditions set out in para. (13) and any of the following conditions are met:

a) the main risk concerns only the assistance provided to persons in difficulty during travels, while away from home or their regular residence;
b) the insurance covers disputes or risks arising out of or related to the use of maritime vessels.

(15) The reinsurance undertaking shall develop its activities based on a license issued exclusively for the non-live reinsurance business, the life reinsurance business or any other type of reinsurance business.

(16) To regulate the particularities of licensing procedures and related procedures, the supervisory authority shall issue normative acts to enforce this law.

[Art.9 paragraph.(8) amended by Law No 259 of 21.11.2024, in force as of 26.11.2024]
[Art.9 par.(6) amended by Law No 99 of 27.04.2023, in force as of 11.05.2023]

Article 10. Licensing process

(1) At the stage of prior approval of the establishment, for the issuance of the license to carry out the activities permitted to insurance or reinsurance undertakings, the applicant shall submit to the supervisory authority a request accompanied by documents and/or information provided according to this law and regulations of the supervisory authority. The supervisory authority shall issue a decision on the prior approval of the insurance or reinsurance undertaking or reject the application within 5 months from the date of its receipt.

(2) Within 15 working days of receipt of the request, the supervisory authority shall communicate to the applicant, as appropriate, the list of documents and/or information that have not been submitted according to para. (1) to file them.

(3) The supervisory authority may request in writing during the period provided in par. (1), but not later than 3 months after receiving the application, any additional documents and/or information if the submitted ones are not sufficient or relevant for the assessment or if they have other deficiencies.

(4) The applicant has at its disposal a period of 30 calendar days from the date of communication of the request formulated according to par. (3) to submit the required documents and/or information and, respectively to remediate the detected deficiencies, during which the period of 5 months provided in par. (1) is suspended. The applicant may also submit on its own initiative any other documents and/or information which it considers relevant.

(5) Any of the documents and/or information provided in par. (3) and (4) must be submitted at least 30 calendar days before the expiry of the deadline by which the supervisory authority must take the decision concerning the license application.

(6) The state registration of the insurance or reinsurance undertaking shall be carried out by the competent authority only upon presentation of the decision concerning the granting of the prior approval for the establishment of the insurance or reinsurance undertaking issued by the supervisory authority under the conditions of this Article. The applicant has the prohibition from any dissemination or publication by the founders of information regarding the activity of the insurance or reinsurance undertaking during the registration period, until the license is released.

(7) When issuing a decision concerning granting of the prior approval for the establishment of an insurance or reinsurance undertaking, the supervisory authority shall issue prior approvals to significant shareholders to acquire qualifying holdings in the share capital of the insurer or reinsurer and the approval of appointment of management bodies. The decision to give prior approval to the establishment of the insurance or reinsurance undertaking shall not guarantee the obtaining of the license.

(8) If the supervisory authority issues a decision on granting prior approval for the establishment, to obtain a licence, the applicant must submit according to this law and the regulations of the supervisory authority the information and documents related to the issuance of the license within 5 months from the date of notification of that decision.

(9) If the applicant does not submit the respective documents and/or information within the period provided in par. (8), it consequently will have to obtain a new prior approval for the establishment of the insurer or reinsurer with all the related approvals provided in par. (7).

(10) The supervisory authority shall decide on the granting or refusal of the insurance or reinsurance undertaking's license within 2 months from the date of receiving the documents and/or information relating to the license application.

(11) The supervisory authority may request in writing any additional information and documents required for the assessment and/or, as appropriate, the remediation of other detected deficiencies, within one month from the date of receiving the documentation according to para. (8), and the applicant has at her/his disposal a period of one month from the date of communication of the

request to submit those, during which the period of 2 months provided in para. (10) is suspended. The applicant may also provide on its own initiative other documents and/or information considered relevant, but these must be submitted at least 30 calendar days before the expiration of the term provided in para. (8).

(12) Documents and/or information submitted after the deadlines provided for their submission shall not be considered for the assessment of the license application and shall be returned to the applicant.

(13) At any stage of the licensing process provided in par. (1) - (11), the supervisory authority shall communicate in writing its decision and, indicating the reasons on which it was based in the event of rejection of the application.

(14) The license shall be issued on a special form indicating the name, organizational legal form, legal address of the license holder, the state identification number, type and category of insurance or reinsurance activity for which the license is issued. The annex to the license is part of the license and contains information on the license holder, the licensing terms and the insurance or reinsurance classes and risks.

(15) The license is granted for an unlimited period and is non-transferable.

(15^1) An insurer holding a license to conduct business in the category of "non-life insurance" or "life insurance" shall have the right, without holding a reinsurance license, to carry out proportional and non-proportional reinsurance business only within the limits of the types/classes of insurance for which it is licensed.

(16) Authorized copies of the license shall be issued separately for each branch and subdivision of the insurance or reinsurance undertaking where the insurance or reinsurance business is pursued.

(17) The fee for the issuance of a license for insurance or reinsurance business is 50,000 lei and is to be paid to the state budget.

(18) The fee for the reissue of the license, for the issuance of the authorized copy or duplicate of the license shall constitute 10% of the license fee and shall be paid to the state budget.

(19) The fees for examination of the applications provided in this law are non-reimbursable.

(20) The supervisory authority grants a license to an insurance or reinsurance undertaking only if it is fully convinced that the undertaking can ensure the safe pursue of the business and comply with the requirements of prudent and sound administration, which should ensure the protection of the interests of insured parties, policyholders, reinsurers, beneficiaries of insurance and third parties, as well as the proper functioning of the insurance market.

(21) In addition to those mentioned in par. (20), the supervisory authority will grant a license to an applicant provided that it has the appropriate technical equipment and software for the processing of data relating to insurance and/or reinsurance contracts and claims, thus ensuring:

a) preparing the overview of data regarding issued policy and claims, that encompass at least systematization of insurance or reinsurance premiums, insurance or reinsurance period, as well as the overview of the details relating to the processing, reporting and payment of claims, statistical

information linked to insured parties, policy holders, reinsured, policyholders and injured third-parties or insured object/liability;

b) control of access to systems and data;

c) settlement of user profiles in relation to relevant tasks;

d) security of personal data processing.

[Art.10 par.(17) amended, par.(18) in the wording of Law No 214 of 20.07.2023, in force as of 03.08.2023]

[Art.10 par.(15^1) introduced by Law No 175 of 30.06.2023, in force as of 03.07.2023]

Article 11. Business plan

Any license application must be accompanied by a business plan, developed in according to the regulations of the supervisory authority and must include at least the following:

a) the insurance or the reinsurance classes and risks proposed to be covered;

b) the organizational structure of the insurer or reinsurer and therefrom must result its capacity to accomplish the proposed objectives under conditions compatible with the principles of a prudent and sound practice in the area of insurance;

c) compliance of the internal management framework, policies, procedures and mechanisms;

d) compliance of the capital and liquidity to the nature, scope and complexity of the business it sets to pursue in the next 3 years, reflected in:

1) the forecasted balance sheet and the estimated values of capital, solvency ratios and technical provisions;

2) estimates of financial resources to cover capital and technical provisions;

3) estimates of current overheads, including procurement;

4) estimates of the volume of premiums and the volume of compensations and/or benefits;

5) reinsurance ceding, types of reinsurance contracts.

Article 12. Reasons for rejecting a license application

(1) The supervisory authority shall reject a license application if:

a) when submitting the license application or within the term specified in art. 10 para. (8), the submitted documents are not prepared according with the legal provisions or are incomplete and/or the information provided is not truthful or insufficient to assess compliance with the conditions provided for the granting of the license;

b) the applicant does not have eligible own funds to cover the absolute threshold of the minimum capital requirement provided in art. 74 or its minimum capital requirement is below the level set up by this law;

c) the evaluation of the submitted business plan results in the fact that the applicant cannot prove the ability to achieve the proposed objectives under the conditions of compliance with the requirements provided in this law and in the normative acts enacted for its enforcement;

d) the members of the management body of the applicant do not comply with the requirements provided in this law and in the regulatory acts enacted for its enforcement, as they are not appropriate to the nature, volume and complexity of the business and do not meet the need for prudent and sound management;

e) persons holding key positions do not meet the requirements for their qualifications, knowledge and professional experience appropriate to the prudent and sound administration provided by this law and the regulatory acts enacted for its enforcement, and do not have a good reputation and integrity (honourability);

f) the shareholders and indirect holders of the shares of applicant do not comply with the requirements provided by this law and by the normative acts enacted for its enforcement;

g) the close links between the applicant and other natural or legal persons and third-country legal provisions or administrative measures concerning the natural or legal persons with whom the applicant has close links are likely to impede the effective exercise of prudential supervision;

h) prior to obtaining the license, the founders made public communications regarding the business of the applicant;

i) other conditions provided by this law are not respected.

(2) The supervisory authority shall not examine the application for issuance of a license in the light of the economic needs of the market. Any decision to reject the granting of a license must be exactly motivated and must be communicated to the concerned undertaking.

Article 13. Redrafting of the license

(1) The reasons for redrafting a license are:

a) change of the name of the insurance or reinsurance undertaking;

b) change of the premise of the insurance or reinsurance undertaking;

c) enlargement of the undertaking business with new insurance classes or reinsurance activities and/or with new types of insurance or dismissing of them from the insurance or reinsurance business.

(2) When reasons to redraft a license arise, the insurance or reinsurance undertaking has to mandatory submit to the supervisory authority a request for redrafting of the license adding the relevant documents and/or information according to the normative acts of the authority within 10 working days from the date of state registration of the operated changes. Failure to comply with the deadline will result in the application of sanctions in accordance with this law.

(3) The supervisory authority shall decide concerning the issuance or refusal to redraft the license within 20 working days from the date of submission of the application together with the documents and/or information provided by its regulations.

(4) Amendments and enlargements made to the license are introduced in the Register of professional participants on the insurance market.

[Art.13 paragraph (2) amended by Law No 214 of 20.07.2023, in force as of 03.08.2023]

Article 14. Issuance of a duplicate license

(1) Reasons for issuance of a duplicate license may serve the loss, theft, destruction or damage of the original one.

(2) In case of loss, theft, destruction or deterioration of the license, the insurance or reinsurance undertaking is mandatory to publish, within 5 working days from the moment of detecting the issue, a notice in the Official Gazette of the Republic of Moldova in this regard, and to submit within up to 10 working days to the supervisory authority an application to get the duplicate of the license, attaching the documents ascertaining the loss, theft, destruction or deterioration of the license, as appropriate. Failure to comply with the deadlines will result in the application of sanctions in accordance with this law.

(3) The supervisory authority shall decide to issue or, as appropriate, refuse to issue a duplicate of the license within 15 working days from the date of submission of the application.

(4) In case of issuance of the duplicate license, the supervisory authority shall take on the decision to cancel the lost, stolen, destroyed or deteriorated license, introducing the respective amendments in the Register of professional participants on the insurance market no later than 3 working days after the decision has been taken.

(5) During the period of examination of the application for granting of a duplicate license, the insurance or reinsurance undertaking may carry on its business based on the declaration on its own submitted to the supervisory authority when submitting the application for the duplicate license.
[Art.14 paragraph (2) amended by Law No 214 of 20.07.2023, in force as of 03.08.2023]

Article 15. Suspending the license of the insurer or reinsurer

(1) The license of the insurer or reinsurer shall be suspended of in the following cases:

a) it does not meet the licensing conditions under which it was licensed;

b) it does not remedy in a timely manner the violations found during the off-site inspection or supervision, carried out by the supervisory authority;

c) it does not execute the measures imposed by the supervisory authority regarding the compliance of the activity with the requirements of the legislation;

d) it does not meet the requirements regarding the categories and the sufficiency of the assets admitted covering the technical reserves and the minimum capital requirement;

e) it does not meet the minimum capital requirement provided by this law;

f) it does not comply with the requirements regarding the setting up and maintenance of technical reserves;

g) it does not comply with the requirements to maintain the solvency ratio of at least 100%;

h) the business pursued by the insurer or reinsurer during the first 3 years of operation differs considerably (deviation above 50%) from what was envisaged in the business plan presented at the stage of the license issuance, and, in the supervisory authority opinion such a deviation is undue within new economic circumstances of the insurer or reinsurer and jeopardizes its business;

i) it did not remove the circumstances that served as ground for appointment of a special administration according to this law or, in the opinion of the supervisory authority, they cannot be removed during the application of the resolution tools.

(2) The suspension of the license has the effect of prohibiting the conclusion of new insurance and/or reinsurance contracts and the extension of ongoing contracts. The insurer or reinsurer is mandatory to fulfil the obligations assumed in the concluded insurance and/or reinsurance contracts prior the suspension of the license.

(3) The suspension of the license of the insurer or reinsurer grants the supervisory authority the right to suspend any transaction with the assets of the insurer or reinsurer admitted covering the obligations related to the insurance and/or reinsurance contracts, except for the payment of insurance compensations and/or benefits, the surrender amounts for insurance and/or reinsurance contracts concluded before the withdrawal of the license.

(4) The period of license suspension may not exceed 6 months.

(5) The insurer or reinsurer whose license has been suspended has the obligation to take all necessary measures required to ensure the protection of the interests of insured parties, policyholders, reinsurers, beneficiaries, third parties and other persons whose rights may be infringed by the suspension of the license.

(6) The insurer or reinsurer whose effect of the license has been suspended has the obligation to remove the violations and their consequences within the period set in the decision on suspension and to submit to the supervisory authority a written report concerning the removal of violations, based on which the supervisory authority adopts the decision on resuming the license validity within the period provided in par. (4).

(7) The effect of the license may be suspended on all insurance or reinsurance classes, and separately on classes or activities.

(8) By derogation from par. (7), the license for compulsory domestic and/or for third countries motor third-party liability insurance within the 10th class of compartment B of the Annex may be suspended separately. For the insurer who holds a license for compulsory domestic and for third countries motor third party liability insurance, the suspension of the license for compulsory domestic motor third party liability insurance entails also the suspension of the license for compulsory motor third party liability insurance for third-countries.

(9) If upon the expiration of the license suspension period, not all the violations due to which the license was suspended are removed, the supervisory authority shall withdraw it.

Article 16. Withdrawal of the license of the insurer or reinsurer

(1) The license of the insurer's or reinsurer's shall be withdrawn in the following cases:

a) the withdrawal of the license is requested by the insurer or reinsurer;

b) the insurer or reinsurer has not commenced the business for which it was authorized within one year from the date of granting the license or has ceased to pursue the business for more than 6 months;

c) the license was obtained on the basis of false information or other unlawful means;

d) the insurer or reinsurer has not complied with the measures specified in the resolution plan or these measures have not achieved their purpose;

e) failure of the insurer or reinsurer to properly address two consecutive prescriptions of the supervisory authority for similar infringements;

f) the court of justice has issued a decision to initiate insolvency proceedings or to terminate the business of the insurer or reinsurer;

g) failure to remove in due time the circumstances that led to the suspension of the license;

h) the insurer owes payments and fees resulting from its membership of the national bureau and has not complied with the prescription of the supervisory authority issued in this regard;

i) the insurer which, pursue the business for the compulsory motor third party liability insurance does not comply with the provisions related to the reimbursement of the means used from the Compensation Fund managed by the national office and does not comply with the prescription of the supervisory authority issued in this regard.

(2) Withdrawal of the license at the express request of the license holder shall be made based on the request drawn up according with the sample approved by the supervisory authority, accompanied by the following documents:

a) the decision of the competent body of the insurer or reinsurer on the termination of business;

b) proof of publication in the Official Gazette of the Republic of Moldova of the announcement of the insurer or reinsurer concerning the intention to cease its activity and the submission of claims by insured parties, policyholder, reinsured, beneficiaries, third parties and other persons whose rights may be infringed;

c) the plan regarding the liquidation of the type of business which includes at least the following: verification, inventory of insurance and/or reinsurance contracts, of the claims files dealt with and registered in the records of the insurer or reinsurer; the plan for fair compensation of claims of insured parties, policyholders, reinsurers, beneficiaries of insurance, injured third parties and other persons whose rights may be infringed, remain unsatisfied; the measures required to notify insured parties, policyholders or reinsurers of the possibility of terminating concluded insurance and/or reinsurance contracts and/or of their right to recover the insurance and/or reinsurance premiums paid in respect of such contracts,

(3) Withdrawal of the license implies the termination of the business of the insurer or reinsurer for all classes or activities included in the license or by classes of insurance or reinsurance activities separately. Withdrawal of the license by insurance classes or separate reinsurance activities has the effect of excluding them from the license. The decision to withdraw the license shall state the reasons for its withdrawal and shall be communicated in writing to the insurer or reinsurer concerned.

(4) By derogation from par. (3), the license for the compulsory domestic and/or for third countries motor third-party liability insurance within the 10th class of compartment B of the Annex to this law may be withdrawn separately. For the insurer who holds a license for compulsory domestic and for third countries motor third-party liability insurance, the withdrawal of the license for compulsory domestic motor third party liability insurance entails the withdrawal of the license for compulsory third-countries motor third-party liability insurance.

(5) The license holder in whose regard has been taken a decision to withdraw the license shall be obliged to:

a) cease immediately the business on the insurance market;

b) return the license to the supervisory authority within 2 working days from the date of communication of the decision on withdrawal of the license, and failure to comply with the deadline shall result in the application of sanctions in accordance with this law;

c) take all measures required to ensure the protection of interests of insured parties, policyholders, reinsurers, policyholders, third parties and other persons whose rights may be infringed by the withdrawal of the license, including, as appropriate, the transfer of the insurance and/or reinsurance portfolio.

(6) The withdrawal of the business license does not exempt the insurer or reinsurer from follow-up supervision by the supervisory authority.

(7) If the withdrawal of the license is requested by the insurer or reinsurer and following the withdrawal of the license it does not transfer the insurance and/or reinsurance portfolio, remaining responsible for the obligations assumed under the concluded insurance and/or reinsurance contracts, the supervisory authority keeps under control the execution of the obligations towards the insured parties, policyholders, reinsured parties, beneficiaries of the insurance, injured third-parties and other persons whose rights may be infringed until all the assumed obligations are satisfied.

(8) The insurer or reinsurer whose license was withdrawn is prohibited to carry out insurance or reinsurance business and gives the highest priority to the payment of insurance benefits and/or compensations. Withdrawal of the insurer's or reinsurer's license grants the supervisory authority the right to suspend any transaction with the insured's or reinsurer's assets accepted to cover the obligations related to insurance and/or reinsurance contracts, except the payment of benefits and/or compensations, redemption amounts for the insurance and/or reinsurance contracts concluded prior to the withdrawal of the license.

(9) The information regarding the withdrawal of licenses is published in the Official Gazette of the Republic of Moldova, on the official website of the supervisory authority and is maintained for 7 years. The remark concerning the date and number of the decision on suspension or withdrawal of the license shall be recorded in the Register of Professional Participants on the Insurance Market. After the withdrawal of the license, all records and registrations of the person concerning the provided services and pursued activities shall be kept for a period of at least 7 years and subsequently transmitted to the state archives.

(10) In the situation provided in par. (7), the supervisory authority shall appoint a person responsible for monitoring and controlling of settlement of all obligations from insurance and/or reinsurance contracts and shall set out its tasks, which shall include at least:

a) analysis of the financial situation of the insurer or reinsurer for each reporting period;

b) verification of the fulfilment by the insurer or reinsurer of the obligation provided in par. (8);

c) following the manner in which the insurer or reinsurer honours its payment obligations under insurance and/or reinsurance contracts;

[Letter d) repealed by Law No 189 of 10.07.2025, in force as of 26.10.2025]

e) monitoring the financial stability indicators of the insurer or the reinsurer.

(11) The person designated to perform the monitoring and control procedure has the access to all information, documents -and records of the insurer or reinsurer, being obliged to keep the confidentiality of all information of which he/she became aware due to the delegated tasks.

(12) In the event of partial withdrawal of the license, the insurer or reinsurer may not apply for a new license within the limits of the insurance class or classes or reinsurance activities for which the license has been withdrawn for a period of one year from the date of its withdrawal.

(13) The supervisory authority shall withdraw the license and initiate the process of forced liquidation of the insurance or reinsurance undertaking if it is found that the latter is in one of the insolvency situations provided in this paragraph and does not meet the conditions for initiating the resolution procedure provided by the art. 80. For the purposes of this paragraph, insolvency situations are the following:

a) the insurance or reinsurance undertaking is not able to satisfy the claims of the insured party, policyholder, beneficiaries of the insurance and the injured third parties regarding the payment of insurance benefits and/or compensations (payment incapacity);

b) the insurance or reinsurance undertaking does not meet the solvency ratio requirement;

c) the value of insurance or reinsurance undertaking's equity is less than the minimum capital requirement established by this law.

[Art.16 paragraph (5) amended by Law No 214 of 20.07.2023, in force as of 03.08.2023]

Article 17. Other measures applied to professional participants of the insurance market

(1) If an insurer or reinsurer or an insurance and/or reinsurance intermediary fails to comply with the provisions of this law or the regulations of the supervisory authority or if the interests of the insured party, policyholder, the reinsured, the beneficiary of the insurance, the injured party and others whose rights may be infringed or otherwise threatened, the supervisory authority shall take appropriate measures to protect those interests.

(2) For the purposes of para. (1), the supervisory authority may withdraw or suspend the license of an insurer or reinsurer in a manner other than that specified in art. 16 and in Sections 7 and 8, particularly entitled to:

a) block the free access of an insurance or reinsurance undertaking to its assets;

b) order the depositing of assets in a special account controlled by the supervisory authority;

c) assign powers entrusted to an executive body of an insurance or reinsurance undertaking to a third-party in full or in part;

d) transfer the insurance and/or reinsurance portfolio and related assets to another insurance or reinsurance undertaking, subject to the latter's agreement;

e) order the liquidation of financial assets in related parties;

f) request the dismissal of persons entrusted with management, supervisory, control or legal assistance, which hold key positions and prohibit them from carrying out additional insurance or reinsurance activities for a maximum of 5 years;

g) remove an insurance and/or reinsurance intermediary from the registers kept according to the provisions of this law.

Article 18. Register of professional participants on the insurance market

(1) The supervisory authority keeps the Register of Professional Participants on the Insurance Market, which contains information on the names of insurers or reinsurers, legal entities in the Republic of Moldova, branches of third-country insurance or reinsurance undertakings licensed in the Republic of Moldova, licensed insurance and/or reinsurers intermediaries, serial number, number and date of granting of the license, addresses of their premises, information on the redrafting of the license, issuance of copies and duplicates thereof. The supervisory authority publishes on its official website and regularly updates a list of the names of all insurers or reinsurers, legal entities in the Republic of Moldova, branches of third-country insurance or reinsurance undertakings licensed in the Republic of Moldova, licensed insurance and/or reinsurers intermediaries.

(2) Insurers or reinsurers, legal entities in the Republic of Moldova, branches of third-country insurers or reinsurers, insurance and/or reinsurance intermediaries whose licenses have been withdrawn are removed from the Register of Professional Participants on the Insurance Market by inserting a special note that includes the date and the number of the decision on withdrawal of the license. Removal does not represent the physical removal of data about the professional participant from the register.

(3) In case of expansion of the business to new branches or termination of their activity, as well as in case of other changes, the professional participant on the insurance market has the obligation to submit to the supervisory authority an application, accompanied by the appropriate documents to carry out amendments and completions in the Register of professional participants on the insurance market, requesting authorized copy (s) of the license.

[Art.18 paragraph (3) amended by Law No 214 of 20.07.2023, in force as of 03.08.2023]

Article 19. Licensing requirements for branches of third-country insurance or reinsurance undertakings

(1) Insurance or reinsurance undertakings established in third countries and licensed in such third countries may pursue business on the territory of the Republic of Moldova only if the following conditions are met cumulatively:

a) the business is carried out by establishing a branch;

b) the branch is licensed by the supervisory authority;

c) the competent authority of the State of origin has no objections to the establishment of the branch in the Republic of Moldova, which shall be confirmed by an act issued by that authority;

d) the existing legislative framework in the State of origin and/or the manner of its application does not impede the supervisory authority from exercising its supervisory functions;

e) the provisions of this law and other normative acts enacted for its enforcement are complied with.

(2) The provisions of this law relating to the licensing of insurers or reinsurers shall apply accordingly to the branches of insurance or reinsurance undertakings in non-member countries, according to the provisions of this Chapter.

(3) The branches of third-country insurers or reinsurers are not legal persons, and their registration is carried out according to the procedure established in art. 12 of Law No 220/2007 on state registration of legal entities and individual entrepreneurs.

(4) For the purposes of this law, all branches established on the territory of the Republic of Moldova by a third-country insurance or reinsurance undertaking are regarded as one branch.

(5) The business that can be carried out through the branch established on the territory of the Republic of Moldova is provided in the license granted by the supervisory authority and may not exceed the business object of the insurer or reinsurer licensed by the competent authority from the state of origin.

(6) The branch of a third-country insurance or reinsurance undertaking established on the territory of the Republic of Moldova participates in the establishment of funds created according with the requirements of this law and the legislation on mandatory third-party liability insurance damages produced by motor vehicles.

(7) The prudential requirements contained in this law apply accordingly to the branches of third-country insurers or reinsurers that pursue business on the territory of the Republic of Moldova, including regarding the application of sanctions.

(8) The supervisory authority may exempt from the application of certain prudential requirements the branches of third-country insurers if following an assessment it is found that in the state of origin there is a prudential regulatory framework equivalent to the one set by this law and the regulations enacted for its enforcement and that the competent authority in that state exercises an appropriate supervision of the insurer, including the activity of the branch in the Republic of Moldova.

(9) The regime provided in para. (8) may be applied only under conditions of reciprocity, based on a cooperation agreement signed by the supervisory authority and the competent authority from the state of origin and without providing a more favourable treatment than that provided for the insurers or reinsurers pursuing business in the Republic of Moldova.

(10) The branch of the third-country insurer must have a regulation specifying at least its name, address, the amount of the capital endowment, the functions of managers, the object of business, which may be modified only with the written approval of the supervisory authority.

(11) The branch established on the territory of the Republic of Moldova may use the name

of the insurance and/or reinsurance undertaking used in the state of origin. If there is a risk of confusion, to ensure the appropriate clarification, the supervisory authority shall request that this name is accompanied by an explanatory remark.

(12) To assess the quality of involved persons or persons having links with the license application, the Money Laundering Prevention and Fighting Service shall provide the necessary support in this regard to the supervisory authority, upon its request, according to the legislation on prevention and fighting of money laundering and terrorism financing.

(13) The supervisory authority shall reject the license application of the branch of a third-country insurance and/or reinsurance undertaking if the regulation and supervision on the grounds of this law may be impeded by the law of the state of origin.

(14) The supervisory authority shall grant license to the branch in the Republic of Moldova of a third-country insurer only if it is fully convinced that that insurer will ensure the pursuit of business on the territory of the Republic of Moldova safely and in compliance with the requirements of a prudent and sound administration and that the appropriate conditions for the supervision are ensured.

(15) The provisions of art. 19 shall apply accordingly to the request for information concerning the persons and entities involved or having links to the license application of the branch of third-country insurer or reinsurer.

Article 20. Endowment capital of the branch

(1) The branch of a third-country insurer must possess a capital endowment to obtain a license and to pursue insurance or reinsurance business on the territory of the Republic of Moldova.

(2) The capital endowment of the branch shall be ensured by making available the endowment capital in cash by the respective third-country insurance and/or reinsurance undertaking, which cannot be lower than the absolute floor of the minimum capital requirement stated in art. 74.
[Art.20 paragraph (2) amended by Law No 99 of 27.04.2023, in force as of 11.05.2023]

Article 21. Management of the branch

(1) The third-country supervisory authority must appoint at least three persons to ensure the management of the business of the branch in the Republic of Moldova and which are empowered to hire and represent, lawfully in the Republic of Moldova the respective third-country insurer or reinsurer. These persons must possess a reputation and experience that is appropriate to exercise the entrusted responsibilities. The provisions concerning the persons holding responsible positions in the insurance and/or reinsurance undertaking apply accordingly to the persons entrusted with the management of branches.

(2) The persons managing the branch of a third-country insurer or reinsurer are responsible to satisfy on the level of the branch the prudential requirements provided by this law and the normative acts of the supervisory authority.

(3) The management of the branch and the documents required to perform the supervision must be located on the territory of the Republic of Moldova, at the address of the registered establishment of the branch.

Article 22. Assessment of the quality of the insurance or reinsurance undertaking which requires the establishment of a branch

(1) When examining the application for the issuance of the license to the branch of a third-country insurance or reinsurance undertaking, the supervisory authority shall assess the quality of the latter.

(2) In addition to the documents and/or information submitted to obtain the license, the license applicant shall submit at least the following:

a) the level of equity, capital requirements and liquidity of the insurance or reinsurance undertaking;

b) the results of the assessment carried out by the competent authority of the State of origin in respect of direct and/or indirect shareholders, including their beneficial owners, who hold at least 10% of the share capital of the insurance or reinsurance undertaking;

c) the audited financial statements of the parent company for the last 3 years.

(3) If there are close links between the third-country insurance or reinsurance undertaking requesting the establishment of the branch and other natural or legal persons, the supervisory authority shall grant the license only if such links do not impede the efficient exercise of its supervisory functions.

(4) Changes in the shareholding of a third-country insurance or reinsurance undertaking requesting the establishment of a branch, or of persons closely linked to it, including those resulting from a merger or dismantling process involving the third-country insurance or reinsurance undertaking must be notified to the supervisory authority by its branch within a maximum of ten working days from the date when they were made.

(5) The insurance and/or reinsurance undertaking from jurisdictions that do not implement international transparency standards and/or jurisdictions with a high-risk level may not establish branches on the territory of the Republic of Moldova. The criteria for assessing the suitability of the insurance/reinsurance company are the same as those for assessing legal persons as qualified holders of an insurance/reinsurance company.

Article 23. Mandatory motor third-party liability insurance

(1) To underwrite risks from class 10 in Section B of the Annex, the branch of the third-country insurance or reinsurance undertaking shall appoint compensation representatives under the provisions of the law on mandatory third-party liability insurance for damages produced by motor vehicles in the Republic of Moldova, obtains the quality of member of the national bureau and contributes to the establishment of the funds created under the conditions provided by the legislation on the mandatory third-party liability insurance for damages produced by motor vehicles from the Republic of Moldova.

(2) The provisions concerning the financial contributions to the funds mentioned in par. 1 shall apply *mutatis mutandis* to branches of third-country insurance or reinsurance undertakings.

(3) The branch of third country insurance or reinsurance undertaking shall appoint a compensation representative residing or established on the territory of the Republic of Moldova, with the following tasks:

a) collects all necessary information for claims files;

b) represent the insurer or reinsurer in relation to the persons who have suffered damage and seeks compensation, including the payment thereof;

c) take the necessary steps to ensure that the insurer or reinsurer is represented at the courts and authorities of the Republic of Moldova regarding the claims;

d) represents the insurer or reinsurer at the supervisory authority regarding the verification of existence and validity of insurance policies.

(4) The branch of the third-country insurance or reinsurance undertaking shall apply the basic insurance premiums and the amount of the adjustment coefficients relating to the compulsory domestic and foreign motor third party liability insurance only after their submission and approval by the supervisory authority.

Article 24. Notification and information

(1) Within 10 days from the date of issue of the license or rejection of the right to carry on the business of a branch of a third-country insurance or reinsurance undertaking on the territory of the Republic of Moldova, the supervisory authority shall inform the supervisory authority of the State of origin about the granting or rejection of the license of the right to run business by the branch.

(2) If it is determined that the branch of the third-country insurance and/or reinsurance undertaking does not comply with the legal provisions applicable on the territory of the Republic of Moldova and the prescriptions of the supervisory authority, including those concerning the application of sanctions, the supervisory authority shall inform the supervisory authority in the state of origin in this regard.

Article 25. Publication of information by the branches

(1) Branches of third-country insurance or reinsurance undertakings must publish in Romanian language the information concerning the third-country insurance or reinsurance undertakings as follows: separate financial statements; consolidated financial statements, as appropriate; report drawn up by the management body; consolidated report drawn up by the management body, as appropriate; the auditor's report, prepared according to the legislation of the stat of origin of the insurance or reinsurance undertakings. The publication of the insurers or reinsurers consolidated and audited financial statements, together with the auditor's opinion, shall be made within 15 days of the expiry of the period for publication in the country of origin.

(2) The provisions of art. 50 concerning the disclosure requirements for insurance or reinsurance undertakings shall apply accordingly to the branches of third-country insurance or reinsurance undertakings.

Article 26. Branches not complying with legal provisions

(1) If the supervisory authority sets out that a branch of the third-country insurance or reinsurance undertaking operating on the territory of the Republic of Moldova does not comply with the legal provisions applicable to it, the supervisory authority shall prescribe to the insurance or reinsurance undertaking to remedy the irregular situation.

(2) If the branch of the insurance or reinsurance undertaking fails to comply with the supervisory authority's requirements and continues to infringe the legal provisions, the supervisory

authority, after informing the supervisory authority of the state of origin, has the right to take measures to prevent or sanction the determined irregularities, including to prohibit the underwriting of new or certain insurance and/or reinsurance contracts and the collection of related premiums.

Article 27. Withdrawal of the branch license

(1) In addition to the grounds provided in art. 16, the license of a branch of an insurance or reinsurance undertaking of a non-member country is withdrawn in the following situations:

a) the concerned insurance or reinsurance undertaking decides to liquidate that branch;

b) the entity resulted following the reorganization process, whereby the third-country insurance and/or reinsurance undertaking ceases to exist or decides to liquidate the respective branch;

c) following a reorganization process on the level of the respective insurance and/or reinsurance undertaking or the group of which it is part, the activity of the branch in the Republic of Moldova is taken over by another insurance and/or reinsurance undertaking or by a branch on the territory Republic of Moldova of a third-country insurance and/or reinsurance undertaking;

d) the license granted to the respective third-country insurance and/or reinsurance undertaking is withdrawn by the competent authority in the state of origin, or its validity ends otherwise;

e) a decision was made to wind up the third-country insurance or reinsurance undertaking.

(2) In the events provided in para. (1) letters a)-c), the respective third-country insurance and/or reinsurance undertaking must notify within 2 working days the supervisory authority about its decision to reorganize and/or liquidate the branch in the Republic of Moldova and submit at least an asset liquidation and debt settlement plan, to ensure the full payment of claims of insured parties, policyholders, reinsured persons, beneficiaries, third parties and other persons whose rights may be infringed, or, as appropriate, a plan to take over the business of the branch.

(3) The reorganization process and/or the decision to liquidate the branch according to par. (1) letters (a) to (c) shall take effect only after confirmation by the supervisory authority of the withdrawal of the license, which shall be communicated to the third-country insurance or reinsurance undertaking.

(4) If the license issued to a branch of a third-country insurance and/or reinsurance undertaking is withdrawn, the supervisory authority shall take the necessary measures to impede the insurance and/or reinsurance undertaking to initiate new transactions on the territory of the Republic of Moldova in order to protect the interest of insured parties, policyholders, reinsurers, beneficiaries of insurance, injured third parties and other persons whose rights may be infringed.

(5) The decision of the supervisory authority to withdraw the license of the branch shall be communicated to the third-country insurance or reinsurance undertaking and the supervisory authority in the state of origin of that insurance and/or reinsurance undertaking.

Article 28. Changes in the situation of insurers or reinsurers

The insurer/reinsurer has the obligation to submit to the supervisory authority all amendments/completions entered in the data and information indicated in the documents attached to the application for the granting or redrafting of the license, including amendments/completions of insurance terms. The amendments/completions shall be submitted in writing to the supervisory authority, hand-signed by the executive body, within 10 working days from the date of entry into force of decisions taken by the executive body concerning the amendments/completions, together

with documents (or authenticated copies thereof) confirming those amendments and/or completions certified copies).

Section 2
Pursuing the business of insurance or reinsurance

Article 29. Founders and shareholders of insurance or reinsurance undertakings

(1) Natural and/or legal persons, residents and non-residents of the Republic of Moldova, may be founders and shareholders of the insurer or reinsurer, under the conditions of this law and other normative acts in force.

(2) Legal entities previously declared insolvent or in state of reorganization, insolvency or liquidation as well as the persons legally restricted from establishment of an undertaking may not be founders or shareholders of the insurance or reinsurance undertaking.

(3) Persons registered in jurisdictions that do not implement international standards of transparency and/or in countries or jurisdictions with a high degree of risk do not have the right to own, directly or indirectly, individually or jointly with persons acting in concert, ownership rights in the share capital of the insurance or reinsurance undertaking.

(4) The founders or significant shareholders of the insurance or reinsurance undertaking shall submit mandatory required information for the purpose of supervision, as set out in the regulation of the supervisory authority enacted in this regard. If the insurance or reinsurance undertaking is part of a group, the identity of the group owners must be sufficiently transparent so that supervision is not undermined. If, after all possible means have been exhausted and there are no grounds for suspicion, no person is identified as the beneficial owner, the natural person holding the CEO position of the insurer or reinsurer shall be deemed as the beneficial owner.

(5) The supervisory authority shall set out in a normative act the list of jurisdictions that do not implement international standards of transparency and/or of states or jurisdictions with a high degree of risk.

Article 30. Shareholders holding qualified holdings. Acquisitions

(1) If a natural or legal person acquires, directly or indirectly, individually or jointly with the persons acting in concert the ownership right or if a legal person acquires the management right on qualified participations in the share capital of the insurer or reinsurer, that insurer or reinsurer has the obligation to inform the supervisory authority within 7 days from the date of the transaction.

(2) The insurers or reinsurers shall annually provide the supervisory authority with detailed information on the identity of the significant shareholders, the number and total value of the shares held, and for the significant shareholders legal persons – additionally the financial statements with an explanatory note, in the manner and within the timeline set out by the supervisory authority regulation.

(3) In addition to the requirements set in art. 29, the person intending to acquire or hold a qualifying holding in the share capital of the insurer or reinsurer must meet the following conditions:

a) have a stable financial standing, which means that:

1) the legal person will pay the qualifying holding in the share capital of the insurer or reinsurer from own financial means, which is confirmed in the report of the independent auditor, and will maintain its equity (net assets) at least within the limits of the qualifying holding;

2) the legal person carries out economic, financial and other activities for at least two consecutive years, which enables it to honour its obligations, and which ensures the future support of the business of the insurer or reinsurer from own financial means if financial situation worsens;

3) the natural person possesses revenues, which are of continuous nature and which, in terms of their level, justify accordingly the acquisition of the qualifying holding in the share capital of the insurer or reinsurer;

b) not to be a shareholder or associate of an insurance and/or reinsurance intermediary;

c) for natural person, not to have criminal records and to possess full legal capacity.

(4) The acquisition by the natural or legal person directly or indirectly, individual or jointly with persons acting in concert of the ownership or administration right on qualifying holdings in the share capital of the insurer or reinsurer or the increase of the qualifying holding in the share capital of the insurer or reinsurer over 10%, 20%, 33% or 50% of the shares with voting rights and respectively the decrease under this level of the qualifying holding shall be performed upon prior approval by the supervisory authority, in the manner set in its normative acts.

(5) Without the prior notice of the supervisory authority, no one can acquire, increase or decrease individually or jointly with persons acting in concert, in no way, a share in the share capital of the insurer/reinsurer that falls under the provisions of para. (4) and (8).

(6) The supervisory authority is entitled to request within limits of its competence the submission of the articles of association and of financial statements from founders, shareholders and other legal persons intending to acquire shares in the share capital of the insurer or reinsurer, as well as to request information from public administration authorities about the financial stability and good faith of the mentioned persons.

(7) Exercise of the right to vote, the right to convene and hold a general meeting of shareholders, the right to introduce items on the agenda, the right to propose candidates for board member of the undertaking, its executive body and the committee of censors, as well as the exercise of the right to receive dividends shall be suspended on the date of acquisition or increase carried out in violation of the provisions of par. (4) and (5) in the volume of held ownership rights. The shares whose exercise of the right to vote is suspended shall not be taken into account for the adoption of decisions concerning items included in the agenda of the general assembly of shareholders and shall not be taken into account at the establishment of the quorum and voting results and, respectively this will not be included in the votes represented at the meeting. The supervisory authority shall inform the acquirer and the insurer or reinsurer within five days from the date when it found out about the acquisition carried out in violation of the provisions of para. (4) and (5) about the application of the provisions concerning the suspension of the exercise of the rights provided in this paragraph.

(8) Persons who violated the provision of para. (4) and (5) shall dispose of them within three months from the acquisition date of the acquired shares related to the held qualifying holding.

(9) If, at the expiration of the period provided in para. (8), the shares were not disposed, the executive body of the insurer or reinsurer, by derogation from the provisions of the Law No 1134/1997 on Joint Stock Companies, within 15 days from the expiration date of the period granted to holders of securities to sell the shares of the insurer or reinsurer, shall adopt and submit to the

supervisory authority the decision on annulling those shares and the additional issuance of shares in the same number and the same class.

(10) The decision of the executive body of the insurer or reinsurer shall include information about the sale price of the newly issued shares and how that was determined, the period of putting the shares for sale and the conditions of modification of the initial price, according to the provisions of this article.

(11) The supervisory authority shall adopt the decision on the related recording of erasure of annulled shares and the registration of shares from the additional issuance within 15 days from the date of submission at the supervisory authority of the decision according to para. (9), attaching the documents related to the registration of the issuance of shares, as set in the normative act of the supervisory authority.

(12) Within 3 days from the registration date of newly issued shares according to par. (11), the entity (custodian) that keeps records of the holders of securities that fell under the provisions of par. (7), on the ground of the decision of the executive body of the insurer or reinsurer and the decision of the supervisory authority, shall ensure the recording of the cancellation of shares from the account of holders of the respective securities and the recording of newly issued shares in the account of the insurer or reinsurer. The newly issued shares remain registered in its account until they are sold and/or cancelled. The insurer or reinsurer is not allowed to act the way by which it would acquire ownership of newly issued and credited to its account shares other than those provided for in this article. The newly issued shares registered in the account of the insurer or reinsurer until their sale, in accordance with this article, shall be non-voting shares in circulation, shall not confer the right to receive dividends or a share of the undertaking's assets in the event of its liquidation and may not constitute a contribution to the share capital of an undertaking. The shareholders of the insurer or reinsurer shall have no pre-emptive rights over the newly issued shares in accordance with this article.

(13) Within 10 days from the date of recording according to par. (12), the insurer or reinsurer shall place for sale the newly issued shares and shall publicly disclose, in the manner set by Law No 171/2012 on capital market, information on the financial situation of the insurer or reinsurer during the last three years, as well as a description of the shares placed for sale.

(14) The period for the sale of the newly issued shares of the insurer or reinsurer shall not exceed three months from the date of putting them for sale, with the exception indicated in para. (15).

(15) At the request of the insurance or reinsurance undertaking, the supervisory authority may order the extension of each 3-month period provided in para. (8) and (14) with 3-month periods 6 times at most. The request for an extension of the time limit for the sale of newly issued shares by the insurance or reinsurance undertaking shall be submitted at least 10 working days before the expiry of the previously established time limit for the sale of the newly issued shares. The extension is ordered for the purpose of not admitting the endangering of the financial stability or if there is a public interest to order the extension or, without conducting a preliminary assessment by the supervisory authority, a potential acquirer of the shares put for sale was identified, whose quality is appropriate and adequate and does not raise justified suspicions at the time of adopting the decision on extension. The supervisory authority shall inform the insurer/reinsurer about the extension of the period provided in this paragraph until the expiration for the previous period set for the sale of the newly issued shares.

(16) The initial sale price of the shares of the insurer or reinsurer shall be determined under the following conditions:

a) if the share does not exceed 10% - according to the criteria provided in art. 23 para. (2) of Law No 171/2012 on Capital Markets, applying para. (7) of the same article for the criterion set in art. 23 para. (2) letter a) of the Law No 171/2012 on Capital Markets;

b) if the share exceeds 10% - according to the value of shares, resulted from an expertise performed by an independent evaluator according to international evaluation standards.

The pricing according to letter b) shall be carried out by a person qualified in the area of valuation, registered in the register of authorized persons kept by the National Commission for Financial Markets in the manner established by it.

(17) The executive body of the insurer or reinsurer may change by reduction the price of the newly issued shares placed for sale at intervals at least once every three months from the date of placing for sale or form the last change of the price. The price reduction is allowed within the limits of up to 30% regarding the price previously set, with the submission of respective arguments to the supervisory authority. When arise new factors that significantly influence the price set previously, in the view of the feasibility of the transaction, the price reduction is can exceed the allowed limit of 30% but no more than 50% with the presentation of the supporting arguments.

(18) Any price change should be notified within three days to the supervisory authority and disclosed to public as provided by the Law No 171/2002 on Capital Markets.

(19) The financial means gained after the newly issued shares have been sold, will be transferred to a provisional bank account, opened by the insurer or reinsurer for this purpose. The insurer or reinsurer will record the respective financial means in the accounts of the last shareholders that violated the provisions of par. (4) and (5), based on the principle of proportionality, after deducting all expenses (taxes, payments, commissions, fines) related to the sale.

(20) For acquisitions of newly issued shares, the requirements of para. (4) shall be complied with.

(21) The investment undertakings shall inform immediately the insurer or reinsurer about the clients who acquired shares. The list of persons who acquired newly issued shares should be submitted by the insurer or reinsurer to the supervisory authority within 5 days after the expiry of the period provided for the sale.

(22) If during the period provided in the decision of the executive body of the insurer or reinsurer, the newly issued shares are not sold or are sold in part, the shares that have not been sold should be redeemed and annulled, and by derogation from the provisions of the Law No 1134/1997 on Joint Stock Exchange, the executive body has the obligation to take the decision to reduce the share capital. The redemption price of the unsold shares is the list price of sale or put of sale of newly issued shares that are placed for sale according to para. (17).

(23) If following the issue of the decision to redeem the unsold shares and to reduce the share capital according to para. (22), the insurer or reinsurer does not comply with the prudential requirements concerning the liquidity and solvency indicators, the supervisory authority shall withdraw the license issued to insurer or reinsurer without applying the forced liquidation proceeding, if there are no grounds to initiate the insolvency proceeding. The license withdrawal shall be communicated in writing to the insurer or reinsurer and the State Tax Service on the same day. If within 45 days from the withdrawal of the license the general meeting of shareholders did not take a decision concerning the voluntary liquidation or the reorganization of the insurer or reinsurer, the supervisory authority shall initiate the forced liquidation proceeding in respect of the insurer or

reinsurer.

(24) Within 30 days from the approval date of the decision of the executive body of the insurer or reinsurer concerning the reduction of the share capital through annulment of redeemed shares, the insurer or reinsurer shall submit to the supervisory authority the documents provided in the normative act to record the changes related to the reduction of the share capital.

Upon the redemption of unsold shares, the insurer or reinsurer pays to the former holder the last selling price of putting for sale the newly-issued shares and actually put for sale according to para. (17) based on the proportionality principle, after retaining all expenses related to the redemption or annulment (taxes, payments, commissions, fines).

The annulment of redeemed shares and the reduction of the share capital of the insurer or reinsurer shall be carried out only after obtaining the permission of the supervisory authority concerning capital distribution and the clearance, in case of shareholders who, following the distribution, will have qualifying holdings. The recording of the share capital reduction shall take place according to the normative acts of the supervisory authority.

(25) - (32) – repealed.

[Art.30 paragraphs (25)-(32) repealed by Law No 175 of 30.06.2023, in force as of 03.07.2023]

(33) In the event of the establishment of special administration for the insurer or reinsurer, until the expiration of the period of the newly issued shares sale, according to par. (14) and (15), including in the extension periods that may be ordered, by derogation from par. (17), the sale price shall be set under the conditions of par. (16). After setting the price for sale, according to this paragraph, the supervisory authority may order, under the conditions of para. (15), the extension of the period for sale by no longer than 3 months and no more than 3 times having the possibility to change the price according to para. (17).

(34) If after the issue of the prior approval according to para. (4), it is determined that the significant shareholder does not satisfy the requirements concerning her/him, set out according to this law, the supervisory authority is entitled to withdraw the preliminary clearance. In such case, the provisions of para. (7) and (8) become effective and apply.

(35) Persons who acquired a qualifying holding in the share capital of the insurer or reinsurer and did not submit to the insurer or reinsurer and/or the supervisory authority the acts/information provided by this law fall under the provisions of para. (7)-(33).

(36) Persons empowered by this law to register the transfer of the ownership right following the acquisition or increase of the qualifying holding in the share capital of the insurer or reinsurer shall perform the respective recordings only upon presentation of the prior approval of the supervisory authority.

(37) Persons that were subject to the actions provided in para. (7)-(8) may no longer hold directly or indirectly new shares in the share capital of the insurer or reinsurer, respectively in the share capital of other insurers/reinsurers.

(38) In case of insurers or reinsurers whose license has been withdrawn and whose newly-issued shares have not been sold according to the conditions of para. (14)-(17) of this article, by derogation from the provisions of the Law No 1134/1997 on joint stock companies, the newly-issued shares that have not been sold represent treasury shares and may not exceed 10% of the share capital of the entity. If that limit is exceeded, the executive body of the entity has the obligation to annul the shares and to reduce its share capital. Within 30 days from the approval date of the decision of the

executive body to reduce the share capital, the undertaking shall submit to the supervisory authority the documents set in the normative act concerning the recording of changes related to the reduction of the share capital. The undertaking records the financial means on the accounts of the last shareholders who violated the provisions of para. (4) and (5) of this article, based on the proportionality principle, within the maximum limits of the net profit in the management period, according to the latest financial report, after deducting all expenses related to the issue, sale, and annulment (taxes, payments, commissions, fines).

[Art.30 para.(15) amended by Law No 259 of 21.11.2024, in force as of 26.11.2024]
[Art.30 para.(16) amended by Law No 214 of 20.07.2023, in force as of 03.08.2023]
[Art.30 para.(12),(15),(33) amended by Law No 175 of 30.06.2023, in force as of 03.07.2023]

Article 31. Assessment of the potential acquirer

(1) When examining the request for prior approval provided in art. 30 para. (4), to ensure a prudent and sound administration of the insurer or reinsurer and taking into account the possible impact on the insurer or reinsurer of the potential significant shareholder, the supervisory authority shall assess whether the quality of potential significant shareholder, including her/his financial capacity regarding the proposed acquisition, is appropriate and adequate according to the requirements set in this law, including by examining cumulatively the following criteria:

a) the reputation of the potential acquirer;

b) the qualification, reputation and experience of any person who will act as a person holding a management position and who holds a key position after the proposed acquisition gets done;

c) the financial soundness of the potential acquirer;

d) the ability of the insurer or reinsurer to comply with prudential rules, according to the provisions of the legislation, particularly the requirement that the financial group of which the potential acquirer will be part have a structure enabling an efficient supervision, exchange of information between competent authorities and determining the distribution of competences between these authorities;

e) the existence of reasonable grounds to suspect that, regarding the proposed acquisition, a crime or tempted crime of money laundering or terrorism financing was committed, in the meaning of the legislative provisions in the field or that such risk could increase following the proposed acquisition;

f) the existence of reasonable grounds to suspect that the beneficial owner of the proposed acquisition is another person than that declared to the supervisory authority.

(2) The supervisory authority examines the compliance of with the criteria set in par. (1) and issues the prior approval within 60 working days from the date of submission of the application to the potential acquirer and all related documents.

(3) During the examination period, but no later than 10 days before its expiry, the supervisory authority is entitled to request in writing any additional documents and/or information necessary to complete the examination.

(4) The examination period shall be interrupted between the date of the information request by the supervisory authority and the receipt date of the response of the potential acquirer to this request. The interruption may not exceed 20 working days. Any additional requests formulated by the supervisory authority to complete or clarify information are at its discretion but may not lead to a repeated interruption of the assessment period.

(5) If the potential acquirer is established in or is subject to the regulations of another state,

the supervisory authority may extend the interruption period mentioned in para. (4) up to 30 working days.

(6) The list of information and documents required to assess the criteria provided in para. (1), as well as the related procedure are set in the normative acts issued by the supervisory authority.

(7) If the prior approval is requested for two or several qualifying holdings concerning the same insurer or reinsurer, the supervisory authority shall provide a non-discriminatory treatment of all potential significant shareholders manner.

(8) Any direct or indirect holder of a qualifying holding in the share capital of an insurer or reinsurer is required to provide, at the request of the supervisory authority, documents and/or information relating to its business, including annual financial statements, income statements as well as the documents and/or information necessary for carrying out the prudential assessment, in the manner and under the conditions provided in the normative acts of the supervisory authority. In the event when circumstances lead to conclusive doubts, the provisions of this paragraph shall apply to any holder, regardless of his share in the share capital of the insurer or reinsurer.

(9) If the direct or indirect holder of a qualified participation in the share capital no longer meets the requirements of this law and the normative acts of the supervisory authority on the quality of shareholder of an insurer or reinsurer or exercises influence over the insurer or reinsurer that jeopardize its prudent and sound administration, as well as if the direct or indirect holder or the beneficial owner did not provide the supervisory authority with information which clearly identifies the identity of the beneficial owner, the supervisory authority shall take appropriate measures to cease such situations. In this sense, regardless of any other measures or sanctions which may be imposed on the insurer or reinsurer, to its administrators, direct or indirect holder of qualifying holding in the share capital of the insurer or reinsurer and her/his beneficial owner, the supervisory authority has the right:

a) to withdraw the granted prior approval subject to the provisions of art. 30;

b) to order the suspension of the exercise of the voting rights of related shares, the right to convene and hold the general meeting of shareholders, the right to introduce issues on the agenda of the meeting, the right to nominate candidates for the position of member of the undertaking board, the executive body and the audit committee, as well as the right to receive dividends;

c) to order the alienation of the shares, which belongs to the person whose voting right has been suspended;

d) to initiate the special administration.

Article 32. Limits of the business of the insurer or reinsurer

(1) The business of the insurer or reinsurer is limited to insurance, reinsurance and operations resulting directly from these actions, excluding any other commercial activity.

(2) The insurer or reinsurer is entitled to carry out the following actions resulting from the insurance or reinsurance business:

a) investment and capitalization of own and attracted funds and reserves and of technical provisions in the manner set by the normative acts of the supervisory authority;

b) granting of loans with interests to its own insured parties, natural persons within the limits of the surrender amount provided in the life insurance contract, with accumulation of the respective capital;

c) sale or rental of goods previously purchased for the own needs of the insurer/reinsurer or

which became property as the result of insurance contracts;

d) provision of assistance and correspondence services based on the collaboration contract between insurers or between insurers and legal persons providing such services.

(3) The insurer or reinsurer is prohibited from carrying out transactions, granting loans and carrying out entrepreneurial activities, other than those provided in par. (1) and (2).

Article 33. Name and location of the insurer or the reinsurer

(1) The insurer or reinsurer uses only the name specified in its bylaws.

(2) The full name of the insurer pursuing business exclusively in the "life insurance" category must contain the words "life insurance".

(3) The full name of the reinsurer pursuing exclusively the reinsurance business must contain the word "reinsurance".

(4) It is not allowed to use in the name of the insurer or reinsurer identical or similar insignia from the names of earlier established insurers or reinsurers if the name of the former can be confused with such names. This prohibition does not extend to the affiliated insurer or reinsurer if it uses the name of the affiliated company.

(5) It is prohibited for persons not holding a license for business in the area of insurances and/or reinsurances to use in their own name, advertisements, and announcements the words "insurance" and "reinsurance" or their derivatives if such words signify the pursuit on own behalf of the insurance or reinsurance business in the meaning of this law.

(6) The premises of the insurance or reinsurance undertaking, branch and subdivision must be located in an administrative building or on the ground floor of a residential building and on safe territories, according to the requirements of prudent and sound administration and ensuring the appropriate conditions for carrying out the supervision. The name or other identifying elements of the insurer or reinsurer must be displayed at the entrance to the premises.

Article 34. Governance system

(1) An insurance or reinsurance undertaking shall establish a sound and reliable system of governance which shall include at least the following:

a) a clear organizational structure, with precise, clear and coherent tasks concerning the responsibilities of management and key functions persons, as well as employees;

b) an efficient information sharing system within the insurance or reinsurance undertaking;

c) key functions integrated into the organizational structure and decision-making processes of the insurance or reinsurance undertaking;

d) the policy on internal control, risk management, internal audit and outsourcing activity, in the event when it calls for the outsourcing of key functions;

e) prudent and professional organization and pursuit of the business, according to its nature, scale and complexity;

f) involvement in the business of a sufficient number of persons corresponding to the professional training and competence criteria set in the normative acts of the supervisory authority.

(2) The insurance or reinsurance undertaking shall regulate the functioning of the governance

system, which provides the manner of risk management, compliance monitoring, internal control and internal audit, actuarial functions and outsourced activities, if the insurance or reinsurance undertaking transfers a part of its functions to a third party. The rules of the governance system must be clear and understandable.

(3) The norms of the governance system must be revised at least yearly and must be approved by the board of the insurance or reinsurance undertaking.

(4) Insurance or reinsurance undertakings shall adopt the necessary measures to ensure the continuity of business as follows:

a) use appropriate and proportionate systems, resources and procedures;

b) identifies and assess the risks that may affect financial stability;

c) develops recovery or financing plans in situations of financial difficulty;

d) optimizes and strengthens the governance system.

(5) The insurance or reinsurance undertakings submit to the supervisory authority the information provided in para. (1)-(4) before the date of March 1 of the current year, according to the regulatory acts of the supervisory authority.

(6) The supervisory authority may issue recommendations concerning the compliance with the requirements provided in this article and the manner of application of adopted written policies adopted.

(7) The refusal to apply the recommendations provided in para. (6) is documented and transmitted to the supervisory authority before the date provided in those recommendations.

(8) The insurer or reinsurer shall avoid the conclusion of transactions with third parties (or for their benefit), who are affiliated with it or who are in an affiliation relationship with persons with management positions or who hold key positions within it, which have more favourable conditions than those regularly available to other persons who are not in such a relationship with them.

Article 35. Management bodies of the insurance or reinsurance undertaking

(1) For the purposes of this law, the management bodies of the insurer or reinsurer are represented by the board of the undertaking and the executive body.

(2) The members of the board of the undertaking and of the executive body are responsible for the compliance of the insurance or reinsurance undertaking with the provisions of this law and other normative acts. The members of the management body will hold one position and will exercise attributions only within a single professional participant on the insurance market.

(3) The members of the management bodies must possess appropriate knowledge, abilities and experience to be able to understand the activities conducted by the insurer or reinsurer, including its main risks, and to decide in full knowledge of the facts about all aspects in regards of which they must decide according to their competences.

(4) It is not allowed to be member of the board of the undertaking or of the executive body or the rights are deprived after the election, if:

a) the person is or is going to become member of the board of the undertaking or of the executive body within two or more insurers or reinsurers in the Republic of Moldova, unless they are

part of the same group;

b) the approval of the supervisory authority, granted according to this law, has been withdrawn;

c) the person is subject to judicial protection measure.

(5) The appointment of a member of the board of the undertaking or of the executive body, including of interim/re-elected persons in the respective positions shall be previously approved by the Supervisory Authority. The tasks of the members of the management bodies may not be transmitted to other persons. The person proposed for the position of the member of the board of the undertaking or of the executive body, including interim/re-elected person in those positions for a new period commences to exercise its function only after the approval by the supervisory authority.

(5^1) In derogation from the provisions of Article 65 paragraph (11) letters a) and c) of Law No 1134/1997 on joint stock companies, the powers of the board shall cease on the date of approval by the Supervisory Authority of the new members elected by the general meeting of shareholders.

(6) For the confirmation by the supervisory authority of persons elected as members of the board or of the executive body, the insurer or reinsurer must submit a request with the set of documents, according to the normative acts of the supervisory authority. Executive members of the board must be full-time employees of the insurer or reinsurer.

(7) If no member of the board of the undertaking or of the executive body proposed for approval is a citizen of the Republic of Moldova, documents shall be submitted confirming that at least one of them speaks the state language.

(8) The board of the insurer or reinsurer plays the role of overseeing and monitoring the management decision-making process and is responsible for the activity of insurer or reinsurer as a whole and of its financial stability.

(9) The board of the insurance or reinsurance undertaking has the following main tasks:

a) exercises effective and efficient supervision of the executive body;

b) reports, at least once a year, to the general meeting of shareholders on the supervisory work carried out;

c) critically analyses, debates and discusses in a constructive manner the proposals, explanations and information provided by members of the executive body, with the ability to argue and reject their decisions;

d) regularly monitor and assess the effectiveness of the business, including the governance principles of the insurer or reinsurer, and take appropriate measures to address any deficiencies;

e) decides on the establishment of systems, key functions and specialized committees, the functioning and tasks of which are provided by this law and by the normative acts of the supervisory authority;

f) approves and reviews, at least once a year, the general principles of remuneration policy and is responsible for overseeing its implementation;

g) approves the recovery plan;

h) approves the financing plan, which is subsequently approved by the general meeting of shareholders;

i) approves the resolution plan, which is subsequently approved by the general meeting of shareholders following the establishment of the resolution procedure by the supervisory authority;

j) exercises any other attributions provided by the normative acts or by the undertaking bylaw.

(10) The executive body has the following main tasks:

a) implements the activity objectives and the decisions of the general meeting of shareholders and of the board of the undertaking;

b) ensures an adequate and transparent organizational structure, including allocation, separation and coordination of competences and responsibilities according to the decisions of the board of the undertaking;

c) appropriately monitors subordinated staff;

d) makes decisions on cancellation, issuance, sale, redemption and conversion of newly-issued shares under the conditions of art. 30;

e) approves the internal regulations on insurance terms and conditions, the ascertain and settlement of claims, the formation and maintenance of technical reserves;

f) exercises any other attributions provided by the regulatory acts or by the undertaking bylaw.

(11) The executive body has the obligation to inform regularly the board the undertaking at least about:

a) situations that may influence the strategy and/or administrative framework of the insurer's or reinsurer's business;

b) the financial performance of the insurer or reinsurer;

c) violation of limits related to risks or compliance rules;

d) deficiencies of the internal control system.

(12) If the insurance or reinsurance undertaking does not have a board of directors, their tasks may be exercised by the general meeting of shareholders.

[Article 35 paragraph (5^1) introduced by Law No 189 of 10.07.2025, in force as of 26.10.2025]

Article 36. Persons holding key positions

(1) Persons holding key positions must at all times have good reputation, knowledge, skills and experience appropriate to the nature, scope and complexity of the business of the insurance or reinsurance undertaking and the responsibilities entrusted to them, carry out the activity according to the rules of a prudent and sound practice.

(2) The insurance or reinsurance undertaking must ensure that the persons promoted to key positions permanently meet the requirements provided by this law and by the normative acts of the supervisory authority.

(3) Each of the persons promoted to key positions must be approved by the supervisory authority according to its normative acts before the beginning of the exercise of the attributions. The supervisory authority will continuously monitor how key nominees comply with the conditions of approval.

(4) The supervisory authority has the competence to analyse the extent to which the minimum conditions provided by this law and its normative acts, to assess all the circumstances and information related to the activity, reputation, moral integrity and experience of the persons promoted to key positions and to decide whether, both individually and collectively, the requirements are met.

(5) Persons shall be deemed to have a good reputation if all official information about them

confirms professionalism, good faith, integrity (honourability) and the possession of other qualities, which point to the fact that these persons will act according to the law and are not going to jeopardise the security and credibility of the insurance or reinsurance undertaking.

(6) For the purpose of assessment of the reputation, it shall be examined, at least, whether the persons have no criminal record, proven by the criminal record certificate, if there is no evidence that during last 10 years, they have been responsible for creating financial and administrative issues at previous workplaces, have no scams and tax evasion.

(7) Persons promoted to key positions shall be deemed to have adequate knowledge of the nature, scope and complexity of the business of the insurance or reinsurance undertaking and of the responsibilities entrusted to them if they have at least a higher education in economics, law or science (including accounting, marketing and logistics, business and administration, finance and banking, world economy and international economic relations, statistics and economic forecasting, cybernetics and computer economics, merchandise and trade, physics, mathematics, engineering, computer science), which is going to be taken into account while their assessment, depending on the relevance of the experience gained for the functions to which the persons are assigned.

(8) For the meeting of the experience criteria, persons in key positions must prove that they have had during last 5 years the experience appropriate to the nature, scale and complexity of the business of the insurance or reinsurance undertaking and the responsibilities entrusted to them, taking into consideration the previous positions and the length of employment in such positions, responsibilities, number of subordinates, nature, extent and complexity of the activities performed, which will be taken into account in their evaluation, depending on the relevance of the experience gained for the positions to which the persons are assigned.

(9) For the purposes of par. (3) - (8), the criteria, the list of documents and/or the information for carrying out the assessment and the endorsement shall be detailed by the normative acts of the supervisory authority.

(10) If the holder of a key position no longer meets the requirements provided within this article, the insurance or reinsurance undertaking shall dismiss him from that key position.

(11) The insurance or reinsurance undertaking shall notify the supervisory authority regarding the modification/termination of employment with the holder of the key position, stating the relevant reasons within 10 days from the date of termination of his/her duties.

(12) In the case provided in par. (10), the insurance or reinsurance undertaking shall appoint a new holder of the key position as soon as possible, but no later than 3 months from the termination date of the duties of the former holder of the key position.

(13) The supervisory authority is entitled to order the insurance or reinsurance undertaking to dismiss the person holding a key position and to appoint another person if he/she:

a) does not comply with the requirements set out in the normative acts of the supervisory authority;

b) has been appointed based on false or incomplete information;

c) has committed serious violations of the provisions of this law and of the normative acts of the supervisory authority.

(14) If the holder of the key position does not meet the criteria of good reputation, knowledge,

skills and experience appropriate to the nature, scope and complexity of the business, the insurance or reinsurance undertaking dismisses the person holding the key position and notifies the supervisory authority, under the conditions of par. (11).

(15) Persons on key positions of the insurer or reinsurer should continuously comply with the requirements set out in the normative acts of the supervisory authority, including:

a) qualifications, knowledge and professional experience must be appropriate for prudent (competent) and sound administration; and

b) have a good reputation and a high level of integrity (honourability).

(16) The persons holding key positions must allocate sufficient time for the exercise of their duties and perform their obligations strictly according to the requirements of this law and the normative acts of the supervisory authority.

(17) The persons holding key positions shall report directly to the undertaking's board of directors, with the exception of the Chief Accountant, Chief Financial Officer and Head of Claims Service, who shall report directly to the Executive Body.

(18) The persons holding key positions are independent in the conduct of their duties.

(19) The persons holding key positions shall have free access to all internal documents and to all documents and/or information necessary for the performance of their duties. The insurer or reinsurer has the obligation to present the internal documents and the documents and/or information requested by these persons.

Article 37. Audit Committee

(1) The insurer or reinsurer must set up and have an audit committee.

(2) By derogation from the provisions of art. 44 and 45 of Law No 271/2017 on the audit of financial statements, the audit committee of the insurer or reinsurer might include also, as appropriate, the members of the undertaking's board.

(3) The duties, functions and responsibilities of the audit committee, as well as the requirements for its members, shall be laid down in the normative acts of the supervisory authority.

Article 38. Risk management

(1) The insurance and reinsurance undertakings shall establish a functional and efficient risk management system, comprising strategies, processes and reporting procedures required to identify, assess, monitor, manage and report on continuous basis, both on individual, and on aggregated level, the risks they face or could face, as well as their interdependencies.

(2) The risk management system provides well-defined standards for people in management positions, including those holding key positions.

(3) The risk management system covers at least the following activities:

a) underwriting risks, setting up and placing technical reserves;

b) asset and liability management;

c) investment strategy;

d) management of market, credit, liquidity and concentration risks;
e) management of operational risk;
f) reinsurance and other risk mitigation techniques.

(4) The insurance or reinsurance undertaking shall develop and approve annually a risk management plan, covering each type of risk faced by the insurer or reinsurer, the internal risk management procedures and the monitoring procedures concerning the implementation of risk management actions according with the regulatory acts of the supervisory authority.

(5) The re/insurer shall organize the activities and operations by ensuring a regular keeping of accounting registers, documents of commercial nature and other administrative documents, in order to ensure the possibility to verify at any time if the operations of the undertaking are compliant with the risk management norms.

Article 39. Internal own risks and solvency assessment

(1) The internal own risk and solvency assessment is not used to calculate the minimum capital requirements.

(2) The supervisory authority establishes regulations in its normative acts on risk management and includes at least the following:
a) the detailed norms and content of the own risk and solvency assessment;
b) the detailed norms on the assessment of technical provisions;
c) the actions to be taken when solvency and minimum capital requirements are not met;
d) market risk and credit risk assessments;
e) underwriting risk assessment.

(3) The risk management system includes the internal assessment of own risks and solvency, in accordance with the business strategy of the insurer or reinsurer. After each significant change in the risks managed by the insurer or reinsurer, it shall immediately assess its own risks and solvency.

(4) In its internal risk assessment, the insurer or reinsurer shall consider the concentration risk, the credit risk, the liquidity risk, the operational risk, the market risk and the underwriting risk to which it is exposed, as well as the limits of risk tolerance and business strategy.

(5) The assessment provided in par. (1) consists of at least the following:
a) the assessment of the insurer's or reinsurer's solvency ratio according to the specific risk profile, as well as according to the business strategy adopted;
b) the continuous assessment regarding the fulfilment of the requirements related to the solvency ratio and the technical reserves in accordance with the provisions of this law and of the normative acts of the supervisory authority.

(6) For the purpose of internal risk and solvency assessment, the insurer or reinsurer shall provide procedures to facilitate the proper definition and assessment of the short- and long-term risks to which it is or may be exposed. The insurer or reinsurer shall disclose the methods used to assess its own risks and solvency.

(7) The internal assessment of own risks and solvency is carried out at least once a year and whenever the risk profile is significantly changed, its results being an integral part of the business strategy, and is an important tool in the decision-making process.

Article 40. Internal control system

(1) Insurance or reinsurance undertakings are required to establish and consistently implement an effective internal control system, including:

a) appropriate administrative and accounting procedures;

b) disclosure of information and reporting at all levels;

c) identifying and assessing the risks to which the insurance or reinsurance business is or could be exposed;

d) assessing and verifying compliance with risk management requirements regarding technical provisions, solvency ratio requirements, minimum capital requirements and investments.

(2) Insurance or reinsurance undertakings shall establish the compliance function, which shall be exercised independently and shall include at least the following:

a) advising the management bodies on how to apply the regulatory framework;

b) identifying and assessing the risk regarding the compliance of the insurer's or reinsurer's operations with the relevant regulations and other commitments, as well as notifying the management bodies of this fact;

c) assessing the impact that changes in the regulatory framework may have on the insurance or reinsurance business.

(3) The insurance or reinsurance undertaking employs an adequate number of persons to verify the compliance of its activity with the principles and legislation governing the insurance or reinsurance activity.

Article 41. Internal audit

(1) Insurance or reinsurance undertakings shall establish an internal audit function that is objective and independent of organizational and operational functions, which reports directly to the company's board and audit committee, with the following responsibilities:

a) assessing the adequacy and functionality of the internal control system and other elements of the governance system;

b) auditing risk management strategies and rules at least once a year;

c) transmission of findings and recommendations to the management bodies;

d) monitoring the implementation of the actions established by the management bodies following the findings and recommendations transmitted;

e) coordination with the audit firm of the company of the information on the identified risks and the measures taken.

(2) In the case of a branch of an insurance or reinsurance undertaking in a third country, the internal audit shall comply with the principles laid down by the insurance or reinsurance undertaking in the State of origin, provided that the requirements established in this Act and in the regulatory acts of the supervisory authority are complied with.

(3) The internal audit shall ensure the systematic assessment of the risks associated with the business of insurance or reinsurance undertakings, including verifying and assessing whether the risk management, internal control and management procedures are adequate and operating in a manner that facilitates the achievement of the following objectives:

a) achieving the goal of economic and financial performance of the insurance or reinsurance undertaking;

b) reliable, prompt and transparent internal and external reporting;

c) carrying out an insurance or reinsurance business in accordance with the applicable regulations.

(4) The peculiarities of exercising the internal audit function will be established by the normative acts of the supervisory authority.

Article 42. Actuarial function

(1) The insurance or reinsurance undertaking shall provide for an effective and permanent actuarial function, exercised by at least one actuary. The manner of carrying out the actuarial activity and the selection of the actuary is regulated by the legislation and the normative acts of the supervisory authority. The duties of the actuarial function shall be exercised by persons with sufficient knowledge of actuarial and financial mathematics, knowledge of statistics and relevant experience in relation to both professional and other applicable standards.

(2) The actuary of the insurance or reinsurance undertaking is independent and autonomous in carrying out its activities.

(3) The actuary has free access to all internal documents and to all documents and / or information necessary for the exercise of his duties. The insurer or reinsurer has the obligation to present the internal documents and the documents and / or information required by the actuary, including the explanations of the managers and other employees of the insurer or reinsurer. The actuary shall not use the information obtained for purposes other than the performance of the actuarial function.

(4) The actuary is responsible for the correctness and accuracy of the actuarial calculations, estimates and conclusions he has drawn and is responsible for disclosing confidential information in accordance with this law.

(5) The duties and responsibilities of the actuary are:

a) coordination of the calculation of insurance premiums and tariffs;

b) coordinating the calculation of technical reserves, which involves actuarial calculation, ensuring appropriate methodologies, basic models and assumptions used, assessing the adequacy and quality of data used to calculate technical reserves, and identifying data that distort the calculation of technical reserves and proposing their removal;

c) calculation of available and minimum solvency margins, solvency ratio;

d) coordinating the dispersion of admitted assets;

e) the calculation of the benefits obtained from the use of assets allowed to represent the technical reserves for life insurance;

f) comparing the best estimates with previous experience;

g) expressing an opinion on the global underwriting policy;

h) expressing an opinion on the relevance of reinsurance contracts;

i) contributing to the effective implementation of the risk-management system, in particular as regards the modelling of the risks underlying the calculation of the solvency ratio requirements, the minimum capital requirements, and the internal risk and solvency assessment;

j) confirmation of the reports submitted to the supervisory authority containing the calculations provided in letter a) –f);

k) drafting and presentation of the annual actuarial report of the insurer or reinsurer or of other actuarial calculations in accordance with the normative acts of the supervisory authority;

l) notification within 15 working days to the board of the insurance or reinsurance undertaking and to the supervisory authority of any irregularities or situations which indicate or lead to a breach of the provisions of insurance or reinsurance law relating to the duties of the actuary.

(6) The supervisory authority shall keep a register of actuaries which is accessible to the public, including on its official website.

(7) The duties of the actuarial function shall be performed either by a person who is employed or by a person whose services are based on a service contract and who holds the appropriate certificate of qualification issued by the supervisory authority in accordance with its regulations.

(8) The documents and / or information of the actuary must be kept by the actuary for a period of at least 5 years.
[Art.42 paragraph (5) amended by Law No 174 of 11.07.2024, in force as of 02.08.2024]

Article 43. Outsourced functions and activities

(1) The duties of the key position are exercised by a person on the basis of employment / contractual or outsourcing relationships. The following key functions can be outsourced: the actuarial function, the risk management function, the compliance function and the internal audit function.

(2) The decision to outsource certain functions and activities shall be taken by the board of the insurance or reinsurance undertaking and shall include at least the following:
a) the criteria necessary to determine whether the function or activity is to be outsourced;
b) the impact of outsourcing on the company's activity;
c) reporting mechanisms;
d) how to select the outsourcing service provider, the frequency of evaluating the quality of these services;
e) the conditions to be met by the outsourcing service provider;
f) the selected provider, with the identification data (IDNO, address, administrator, types of activity, financial capacities, etc.);
g) methods and procedure for monitoring compliance and efficiency regarding the implementation of outsourcing;
h) grounds for termination of outsourcing;
i) other components to be included in an outsourcing contract.

(3) The insurance or reinsurance undertaking has the right to outsource the functions and activities related to the insurance or reinsurance activity, including subcontracting outsourced activities (chain outsourcing), with prior notification to the supervisory authority, according to the requirements established in its normative acts.

(3^1) In derogation from the provisions of paragraph (3), the insurance or reinsurance undertaking shall have the right to outsource functions and activities related to information and communication technologies, including subcontracting outsourced activities (chain outsourcing), only after obtaining the prior approval of the supervisory authority, in accordance with the requirements set out in its normative acts.

(4) In case of outsourcing of functions and activities, the insurance or reinsurance undertaking remains responsible for the observance of the provisions of this law, as well as for the proper management of the risks associated with the outsourced functions or activities.

(5) When outsourcing certain functions and activities, the insurance or reinsurance undertaking shall take certain measures to prevent:

a) significant deterioration in the quality of the governance system;

b) unjustified increase in operational risk;

c) jeopardizing the ability of the supervisory authority to supervise the way in which companies comply with their obligations;

d) affecting the rights of contractors, insured persons, reinsured persons, insurance beneficiaries and third parties.

(6) The insurance or reinsurance undertaking shall require the outsourcing service provider to meet the following conditions:

a) to cooperate with the supervisory authority in the performance of their institutional duties;

b) ensure that insurance or reinsurance undertakings, their auditors and the supervisory authority have access to all data and operations carried out by the outsourcing service provider in connection with the provision of those services and access to its premises.

(7) In case of outsourcing the functions and activities for which the license / authorization is required, the outsourcing is done only to a licensed or authorized entity for this purpose.

(8) In case of outsourcing, the insurance or reinsurance undertaking will comply with the following minimum conditions:

a) will have adequate internal policies and procedures regarding the evaluation, management, control of outsourced functions and activities, and the activity management framework will be adapted to the specifics of these activities / operations;

b) report to the supervisory authority without delay any incident or change in risk, including a change in the outsourcing service provider, which could significantly affect the company's efficient management capacity, stability, performance and business continuity;

c) will comply with any other outsourcing requirements set out in the supervisory authority's regulations.

(9) When outsourcing functions and activities, it is forbidden to:

a) outsourcing the duties of the management bodies of the insurance or reinsurance undertaking;

[Letter b) repealed by Law No 189 of 10.07.2025, in force as of 26.10.2025]

c) the execution of activities by the management bodies and staff of the outsourcing service provider within insurance or reinsurance undertakings, except where they are part of the same undertaking.

(10) The functions and activities outsourced by insurance or reinsurance undertakings will be audited in the audit of the financial statements.

(11) Where the activity of the outsourcing service provider does not comply with the requirements of the legislation or the outsourcing jeopardizes the activity of the insurance or reinsurance undertaking, the latter shall cease to outsource its functions or activities.

(12) The supervisory authority has the right to prescribe the termination of the outsourcing contract if it finds that:

d) the insurer or reinsurer does not carry out continuous and systematic control over the functions and activities to be outsourced, nor does it ensure the management of the risks associated with them or does it in an irregular and inappropriate manner;
e) the activity of the outsourcing service provider has significant deficiencies which threaten or may threaten the ability of the insurer or reinsurer to fulfill its obligations;
f) the outsourced activity is performed with deficiencies established according to the auditor's report.

[Article 43, paragraph (3) in the wording, paragraph (3^1) introduced, paragraph (9) amended by Law No 189 of 10.07.2025, in force as of 26.10.2025]

Article 44. Specific operational requirements

(1) The insurer or reinsurer has the following obligations:

a) to keep the accounting according to the normative acts in the field of accounting and financial reporting and to prepare individual and / or consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS);

b) to prepare the required reports in accordance with the regulatory acts of the supervisory authority;

c) to analyse the indicators and technical results by classes of insurance or reinsurance activities;

d) to organize its activity, so as to comply with the legal provisions and to present to the supervisory authority all the documents, situations and information requested by it;

e) to supervise the activity of the subordinate units and its insurance agents, so that the insurance activity they carry out is not endangered;

f) to keep a special register of assets in accordance with the requirements of this law;

g) to perform the audit of the individual financial statements, performed by an audit entity;

h) to establish rules and procedures for verification, to ensure the continuous training of its own staff in order to prevent and combat money laundering and terrorism financing through the insurance or reinsurance activity;

i) to develop their own procurement regulations, which shall include at least the following:

1) in the structure of the insurance and / or reinsurance premium, the acquisition expenses shall be established separately from the other expenses of the insurer or reinsurer;

2) the commission or any other remuneration for each insurance and / or reinsurance contract concluded may not exceed the limit on the purchase expenses of the insurer or reinsurer provided for in the structure of the insurance and / or reinsurance premium;

3) the commission for insurance or reinsurance intermediation is paid by the insurer or reinsurer by transfer to the bank account of the insurance and / or reinsurance intermediary or of the person providing intermediation services, in accordance with the provisions of art. 106, or is compensated by mutual agreement;

j) to comply with the reporting requirements set out in the international treaties to which the Republic of Moldova is a party;

k) to process personal data in accordance with personal data protection legislation.

(2) The insurance or reinsurance undertaking has the obligation, at the request of the supervisory authority, to provide it with information and data on assets, including those held outside the territory of the Republic of Moldova, the volume of obligations assumed, guarantees granted, insurance and reinsurance transactions concluded, participation in the share capital of other legal

entities, as well as other information necessary for the exercise of the supervisory and control functions of the authority.

Article 45. Opening of branches

(1) The insurance or reinsurance undertaking from the Republic of Moldova opens branches on the territory of the Republic of Moldova, with the prior approval of the supervisory authority, under the conditions established in its normative acts.

(2) The insurer's or reinsurer's branch carries out all or one of the activities covered by its license.

(3) The name of the branch must indicate that it is the branch of the insurer or reinsurer that established it.

(4) The insurance or reinsurance undertaking, or its branch may have subsidiaries located outside its headquarters, other than branches, which do not have a separate balance sheet.

(5) Subsidiaries may carry out activities determined by the insurance or reinsurance undertaking in accordance with the activities covered by the license held by it. The room where the branch or subdivision is located must be equipped with a telephone connection, safe, cash and control equipment, computers connected to the Internet, software for bookkeeping and / or statistical records.

Article 46. Establishment of branches in the territory of a third State

(1) The insurance or reinsurance undertaking of the Republic of Moldova may carry out activities within the limits of the insurance classes or reinsurance activities provided for in the license issued by the supervisory authority in the territory of a third country, by setting up branches, if the information provided shows that:

a) the insurance or reinsurance undertaking has adequate management and financial standing in relation to the proposed activity to be carried out through the branch;

b) the existing regulatory framework in the host country and/or its application does not prevent the supervisory authority from exercising its supervisory functions;

c) the insurance or reinsurance undertaking shall comply with the requirements laid down in this Law or in the regulations of the supervisory authority.

(2) The documentary proof of compliance with the conditions provided in para. (1) shall be the responsibility of the insurance or reinsurance undertaking requesting prior notice.

(3) For the purposes of this law, all branches established by an insurance or reinsurance undertaking licensed in the Republic of Moldova operating in third countries shall be considered as a single branch.

(4) The insurance or reinsurance undertaking intending to establish branches for the purpose of carrying on insurance or reinsurance business in the territory of a third State shall submit an application to the supervisory authority for prior notice of the right of the branch to operate in the territory of a third country, indicating the nature of the risks it intends to undertake and the commitments it intends to make. The branch will carry out insurance or reinsurance activity on the territory of the third country only after the issuing by the supervisory authority of the prior notice according to its normative acts.

(5) The application for the prior notice of the granting of the branch's right to operate in the territory of a third country, submitted by the insurance or reinsurance undertaking, shall include information on:

a) the name of the host state;

b) the business plan according to the provisions of art. 11;

c) the information on the arrangement in the branch office of bookkeeping corresponding to the activity carried out and on the keeping of related documents;

d) the address of the headquarters in the host country, where correspondence and documents concerning the activity of the branch may be received and delivered;

e) the appointment of a general representative to meet the requirements of the person in charge and to have the prior notice of the supervisory authority;

f) the name and address of the claims representative appointed in each of the third countries other than the State for which the authorization is sought, if the risks to be covered are classified in Class 10 of Annex B, except for the liability of the carrier;

g) the name and surname, personal identification numbers of the persons authorized to manage the activities / operations of the branch, addresses of their permanent or temporary locations;

h) the confirmation of the holding in the host country, for which it requests the authorization, of the own funds equal to at least half of the absolute threshold provided in art. 74 and the deposit, as security, of one-fourth of that absolute threshold;

i) the proof of compliance by the insurance or reinsurance undertaking with the requirements of the solvency ratio and the minimum capital;

j) the proof of compliance with the governance requirements provided by this law;

k) the proof that the competent authority of the host country has granted the insurance or reinsurance undertaking operating outside the Republic of Moldova permission to open a branch on its territory.

The application submitted by the insurance or reinsurance undertaking under the conditions of para. (4) also includes the request submitted to the supervisory authority for notification to the competent authority of the host state.

(6) Within 3 months from the registration of the application mentioned in para. (4), after issuing the prior notice on granting the branch the right to operate in the territory of a third country, the supervisory authority shall notify the competent authority of the host State and send a copy of the notice as an attachment. The supervisory authority shall also notify the insurance or reinsurance undertaking thereof.

(7) Any change in the elements covered by this Article, which shall be examined when the branch is established, shall be subject to the prior approval of the supervisory authority.

(8) The supervisory authority shall reject the request for prior notice if, in the examination of the volume and expected activities of the branch, there are reasonable doubts as to whether the insurance or reinsurance undertaking complies with the solvency ratio requirements, the financial stability and the governance system provided by this law.

(9) If the supervisory authority rejects the request for a notice on the branch's right to operate in the territory of a third country, it shall notify the insurance or reinsurance undertaking of the reasons for its rejection.

(10) In the event of license suspension, revocation, reorganization, liquidation of the insurance or reinsurance undertaking, the supervisory authority shall notify the competent authority

of the host State thereof.

Article 47. Liquidation of branches

(1) If the insurer or reinsurer is liquidated, the obligations arising out of contracts entered into through a branch of a third country shall be fulfilled in a manner similar to those arising out of the rest of its insurance and / or reinsurance contracts, notwithstanding the nationality of the contractors, the insured, the reinsured, the beneficiaries of the insurance and the third parties affected.

(2) If the supervisory authority initiates force liquidation proceedings in respect of a branch of a third-country insurer or reinsurer, it shall immediately notify the competent authority of the State of origin before issuing that decision.

(3) If, for the protection of the rights and interests of the contractors, the insured, the reinsured, the beneficiaries of the insurance, the injured third parties and of other persons whose rights may be infringed, the adoption of the decision mentioned in para (2) cannot be postponed, the supervisory authority shall inform the competent authority of the State of origin immediately after the issuance of the decision.

(4) The supervisory authority shall coordinate its actions in the force liquidation proceedings with the actions of the competent authority of the State of origin.

Article 48. Statistical information on the activity carried out

(1) The insurance or reinsurance undertaking has a statistical database of insurance or reinsurance for the purpose of statistical processing of data from insurance and / or reinsurance contracts, concluded for each class of insurance or reinsurance activity, for the calculation of premiums, for insured cases and damages.

(2) Without prejudice to para (1), for the 10th class of compartment B of the Annex, the insurer shall inform the supervisory authority on a quarterly basis of the frequency and average cost of damages.

(3) The insurance or reinsurance undertaking shall inform the authority separately on a quarterly basis on the activity carried out by its branches in non-member countries, on the amount of premiums, damages and commissions, without deducting reinsurance, separately for each State, as follows:

a) for non-life insurance on each class of insurance or reinsurance activity;
b) for life insurance on each class of insurance.

(4) The supervisory authority communicates to the competent authorities of third countries, at their request, the information referred to in para. (3), within a reasonable time, in the form of a summary.

Article 49. Registration of changes of insurance or reinsurance undertakings

Changes operated at the level of insurance or reinsurance undertakings, after their licensing, are subject to prior approval / acceptance by the supervisory authority, according to its normative acts, and constitute:

a) change in the articles of incorporation of the insurer or reinsurer;

b) completion and / or change of the object of activity in the context of the activities allowed to the insurer or reinsurer, including after the license withdrawal;

c) the acquisition or change of participations in an insurer or reinsurer;

d) the acquisition by the insurer or reinsurer of shares in other regulated financial institutions;

e) the appointment of new persons to the governing bodies and those who will hold key functions;

f) replacement of the audit entity that will audit the financial statements;

g) other situations provided by this law.

Article 50. Publication of information and reporting

(1) Insurance or reinsurance undertakings shall publish annually, on their official website and in the press provided for in the Statute, a report on solvency and financial stability, which shall include information, either included in full or referring to equivalent information, publicly disclosed under other legal or regulatory provisions, such as:

a) description of the company's activity and performance;

b) description of the governance system and assessment of its relevance to the company's risk profile;

c) a separate description, for each risk category, of risk exposure, risk concentration, risk reduction and risk sensitivity;

d) a separate description, for assets, technical provisions and other liabilities, of the bases and methods used in their assessment;

e) a description of the capital management, including at least the following:

1) the structure and value of own funds, as well as their quality;

2) the value of the solvency ratio and minimum capital requirements;

3) the amount of any significant breach of the solvency or minimum capital requirements in the reporting period, even if it was subsequently removed, together with an explanation of its causes and consequences, and any remedial actions.

(2) The description of the structure, value of own funds and their quality must include an analysis of any significant changes from the previous reporting period and an explanation of any major differences in the value of those items in the financial statements.

(3) Insurance or reinsurance undertakings may, on their own initiative, publish any information or explanation relating to their solvency and financial position, the disclosure of which is not required by the provisions of this Article.

(4) The report on the solvency and financial stability of the insurer or reinsurer, provided in para. (1), will be certified by its actuary and approved by the company's board.

(5) Insurance or reinsurance undertakings shall have appropriate information technology systems in place to comply with the requirements of this Article, as well as procedures to ensure the adequacy of the information published.

(6) List, form and deadlines for submitting financial statements, specialized reports and other reports of insurance or reinsurance undertakings shall be established by the regulatory acts of the supervisory authority and shall be submitted to it on paper and electronically.

(7) Within 4 months of the end of the management period, the insurer or reinsurer shall send the financial statements, the auditor's report and the actuary's expertise to the supervisory authority,

as well as publish the financial statements and the auditor's report in the press paper provided for in the statute.

(8) Insurance or reinsurance undertakings shall ensure that the reports referred to in this Article are available on their official website for a period of at least 5 years after their publication.

Article 51. Regime of confidential information

(1) The insurer or reinsurer is responsible for the confidentiality and ensures the protection of information, including on insurance and / or reinsurance contracts, policyholders, insureds, reinsurers, beneficiaries of insurance and injured third parties, obtained in the course of insurance or reinsurance business. It has the obligation to keep confidential all the facts, data and information regarding the activity he carries out, over any facts, data or information at his disposal, regarding the contractor, insured, reinsured, the beneficiary of the insurance and the damaged third party, the goods, activity, business, personal or business relations, as well as other information about them that has become available to him.

(2) Shareholders, managers and holders of key positions, employees of the insurer or reinsurer, audit entities, insurance and / or reinsurance intermediaries and outsourcing service providers are not allowed to disclose confidential information contrary to the purpose for which it was collected or allow a third party to gain access to such information.

(3) Confidential information may be disclosed only:

a) in the event of the written agreement of the policyholder, the insured, the reinsured, the beneficiary of the insurance and the injured party on the communication of the information;

b) where the information is requested by the supervisory authority or by any other authority for the purpose of exercising supervisory and control functions;

c) in the case of presentation of that information to the parent company, in the context of group supervision, in accordance with this law and the legislation on financial conglomerates;

d) in the cases stipulated by the regulations regarding the compulsory insurances;

e) in the context of criminal and anti-money laundering and anti-terrorism financing proceedings;

f) if this information is necessary in making decisions on the legal relationship between the insurer or reinsurer and the contractor, the insured, the reinsured, the beneficiary of the insurance and the injured third party involved in an out-of-court dispute;

g) in the case of requesting information by the courts in the examination of pending litigation;

h) in insolvency and liquidation proceedings;

i) if this information is necessary for the conduct of negotiations for the conclusion of an insurance contract or for the performance of an insurance and / or reinsurance contract with the insurer or reinsurer;

j) in the case of presenting that information to the prosecuting authorities in order to report an offense;

k) in other cases provided for by law.

(4) The supervisory authority, other authorities and persons covered by this Act may use the information obtained under this Article only for the purpose for which it was obtained.

(5) The information obtained in carrying out the insurance or reinsurance business must be stored in databases, created and managed by the insurer or reinsurer in accordance with its own internal rules, which include information on:

a) insurance policies and insured, reinsurance contracts and reinsured;
b) insured cases;
c) estimation and payment of claims and / or insurance compensations.

Article 52. Access to information

Police, prosecutors, courts, fire brigades, public and private medical institutions, other public authorities and institutions, as well as legal persons under public and private law who are competent to investigate vehicle accidents or other events or who have information and data which may assist the insurer or reinsurer in the insurance or reinsurance business, where appropriate, shall present, within 15 working days, at the request of the insurers or reinsurers, documents and / or information on paper, in electronic form, or by converting the documentation into an easily accessible electronic format, using a simple electronic signature, on the causes and circumstances of the insured risks. the damages caused, in order to establish and pay by the insurers or reinsurers the claims and / or the insurance compensations. If the necessary information is found in the State Register of road accidents, it is obtained by the insurer or reinsurer through the interoperability platform (MConnect) directly from the register.

[Article 52 supplemented by Law No 189 of 10.07.2025, in force as of 26.10.2025]

Article 53. Audit of financial statements

(1) The financial statements of the insurer or reinsurer are subject to mandatory audit by an audit firm, confirmed by the general meeting of shareholders and accepted by the supervisory authority under the conditions set out in its regulations.

(2) Auditors performing the audit of insurance or reinsurance undertakings hold a certificate of qualification as an auditor. An audit entity may audit the financial statements in the same management period at the same time as several insurance or reinsurance undertakings in the Republic of Moldova provided that, on the date of acceptance by the supervisory authority of that entity to perform the audit, the cumulative assets of those insurance or reinsurance undertakings do not exceed 50% of the total assets of the insurance market for each category of insurance. The actuary appointed to the audit mission team may participate in the audit missions annually to a maximum of 4 insurance or reinsurance undertakings.

(3) The audit entity shall inform the supervisory authority of all facts identified during the audit, indicating:
a) violation by the insurance or reinsurance undertakings of the legal provisions regarding the conditions of licensing and carrying out the insurance or reinsurance activity;
b) the presence of potential risks to the continued operation of the insurer or reinsurer and the impact of these risks on financial stability;
c) expressing an amended opinion, which, respectively, may be a reserved opinion, contrary opinion or indicate the inability of the auditor to express an opinion;
d) non-compliance with the solvency ratio and minimum capital requirements.

(4) Auditing entities that audit an entity closely related to an insurance or reinsurance undertaking shall inform the supervisory authority of all facts or decisions relating to that undertaking, at the request of the supervisory authority or at the time of the finding.

(5) The transmission to the supervisory authority of the information mentioned in para. (3) and (4) do not constitute a breach of the confidentiality and professional secrecy imposed by

contractual clauses or the provisions of the law and do not entail the liability of audit entities or members of the audit mission team.

(6) At least one person of the audit mission team shall be appointed as an independent expert holding an actuarial qualification certificate in order to examine the insurance or reinsurance business in accordance with the accepted fundamental and general principles of actuarial calculation. The actuary of the audit mission team shall not have the right to be in contractual relations with the audited insurance or reinsurance undertaking and not to have had contractual relations with him for at least the last 2 consecutive management periods.

(7) The supervisory authority shall inform the Audit Public Supervisory Board, in the event of an audit breach by the audit entity, within 30 days of the finding of such breaches.

(8) In order to perform the audit of the financial statements, the insurer or reinsurer shall enter into a contract with the audit entity for a period not exceeding 3 consecutive management periods.

(9) An insurance or reinsurance undertaking or an audit entity may invoke the termination of the contract referred to in para. (8) before the expiry of the deadline established in the contract only for justified reasons. The insurance or reinsurance undertaking may terminate an audit contract before the expiry of the time limit set by the contract only after consulting the audit committee.

(10) The insurer or reinsurer must notify the supervisory authority in writing of the conclusion of an audit contract, the withdrawal of an audit entity before the expiry of the deadline set by the contract and explain the reasons for its non-concluding and termination.

(11) If an audit is not carried out or the auditor's report has not been prepared in accordance with the requirements set out in this Article or the supervisory authority's rules of procedure, the supervisory authority may prescribe to the insurer or reinsurer the necessary measures for the mandatory audit.

Article 54. Audit for supervisory purposes

(1) Insurance or reinsurance undertakings shall also be subject to an audit for supervisory purposes in accordance with the regulatory act of the supervisory authority.

(2) The supervisory authority shall require the insurers or reinsurers, where applicable, to arrange for the audit for supervisory purposes in some of the following situations, but not limited to:

a) non-compliance, in any way, with the provisions of the normative acts regarding the insurance or reinsurance activity, jeopardising the accomplishment of the obligations assumed towards the contractors, insured, reinsured, beneficiaries of insurance and damaged third parties;

b) the decrease of the performance indicators established in the normative acts of the supervisory authority during 3 consecutive quarters;

c) violation of its own regulations regarding the acquisition expenses;

d) non-compliance with the establishment and maintenance of the categories of assets, as well as their valuation at fair value;

e) carrying out transactions with large or conflicting interests, acquiring, increasing or reducing the shareholding in the share capital of the insurer or reinsurer in the absence of the approval of the supervisory authority.

(3) The audit for supervisory purposes may be carried out simultaneously with the audit of the financial statements or separately from it, as well as by the same audit entity or another entity approved by the supervisory authority, according to its normative acts, provided that the corresponding service contracts are concluded.

(4) The audit for supervisory purposes represents the verification and analysis procedures required by the supervisory authority on one or more of the following, but not limited to:

a) the adequacy of the activity management framework of the insurer or reinsurer according to the normative acts of the supervisory authority, including the analysis of:

1) shareholding and capital adequacy;

2) professional and organizational capacity;

3) distribution network;

b) the correctness and completeness of the specialized reports submitted to the supervisory authority according to its normative acts, including the analysis of the:

1) methods for calculating and reporting the structure and components of solvency margins, performance indicators;

2) formation and maintenance of technical provisions;

3) establishing and maintaining asset classes and assessing them at fair value, as well as the structure of investments;

4) keeping records of insurance and / or reinsurance contracts and claims;

5) compulsory and voluntary (optional) reinsurance contracts;

c) the adequacy and implementation of the internal policies and procedures of the insurer or reinsurer in the field of preventing and combating money laundering and terrorism financing, as well as the analysis of the execution of transactions;

d) the adequacy of the governance system (the auditor will evaluate the internal control system and decide to what extent it can rely on this system);

e) evaluation of the internal risk management framework related to information and communication technology;

f) presentation of recommendations regarding the risks related to the activity of the insurance or reinsurance undertaking.

Article 55. Transfer of the insurance and / or reinsurance portfolio

(1) An insurer or reinsurer may transfer, with the prior approval of the supervisory authority, to another insurer or reinsurer its entire insurance and / or reinsurance portfolio, or part thereof, which represents all of the contracts concluded, together with all rights and obligations arising therefrom. The transferring insurer or reinsurer shall enter into a contract with the transferee insurer or reinsurer for the transfer of concluded contracts relating to a type of insurance, one or more classes of insurance or reinsurance activities.

(2) The decision on the intention to transfer, taken by the insurer or reinsurer and notified by the supervisory authority, shall be notified to the insurance parties by an announcement, published in the Official Gazette of the Republic of Moldova, distributed on the official website of the insurer or reinsurer, which shall be given a period of one month in advance for the submission of any claims.

(3) The insurer may transfer the insurance portfolio only to another insurer operating in the Republic of Moldova.

(4) In order to achieve the provisions of para. (1), the transferor insurer or reinsurer shall transfer the assets admitted to cover technical provisions, including mathematical ones equal to the

calculated technical and mathematical reserves, so as to cover the obligations of the portfolio to be transferred.

(5) The transfer procedure of the insurance and / or reinsurance portfolio, as well as the documents to be submitted to the supervisory authority, in this respect, shall be established by its normative acts.

(6) The application for approval of the transfer of the insurance and / or reinsurance portfolio shall be accompanied, without limitation, by the following:

a) the list of insurance and / or reinsurance contracts according to the types / classes of insurance or reinsurance activities which are the subject of the transfer, including the general terms and conditions of such insurance and the calculations of technical and mathematical provisions;

b) the list of assets to cover technical provisions, certified by the actuary, including the amount and dates on which they can be verified;

c) the business plan of the transferee insurance or reinsurance undertaking, taking into account the insurance and / or reinsurance portfolio acquired;

d) the estimated reporting of the solvency ratio requirement of the transferee insurer or reinsurer after the completion of the portfolio transfer;

e) the portfolio transfer contract.

(7) The decision of the supervisory authority on approving the transfer of the insurance and / or reinsurance portfolio shall enter into force on the date of its publication in the Official Gazette of the Republic of Moldova.

(8) The insurer or reinsurer that accepts the transfer of the portfolio shall notify the parties thereof, within 15 days from the date of entry into force of the decision approving the transfer, through an announcement published in the Official Gazette of the Republic of Moldova in two consecutive editions.

(9) The transferring insurer or reinsurer shall transfer the portfolio at the latest within 3 months from the date of approval by the supervisory authority of that transfer. Otherwise, the decision to approve the transfer of the portfolio loses its validity.

(10) Within 30 days of the transfer of the portfolio, the transferor insurer or reinsurer shall provide the supervisory authority with information on its transfer.

(11) The provisions of para. (1) shall apply accordingly to insurers or reinsurers who are in the process of recovery and resolution, reorganization or liquidation, where applicable.

Article 56. Association of insurance or reinsurance undertakings

Insurance or reinsurance undertakings may join professional associations representing their collective interests, study matters of common interest, promote cooperation, inform members of the association and the public, and organize services of common interest. Also, companies can join international associations, in compliance with the obligations arising from their articles of incorporation.

Section 3
Solvency and financial stability

Article 57. Valuation of assets and liabilities

(1) For the supervisory purpose, the assets and liabilities of the insurance or reinsurance undertaking shall be valued in accordance with the provisions of this Article, the regulations of the supervisory authority and the International Financial Reporting Standards (IFRS).

(2) If the valuation of assets and liabilities according to International Financial Reporting Standards (IFRS) does not correspond to the valuation requirements set out in para. (3) and (4), the provisions of these paragraphs shall apply as priority.

(3) The insurance or reinsurance undertaking shall measure its assets at the value at which they could be traded between the parties and, knowingly, in the course of an objective transaction.

(4) The insurance or reinsurance undertaking shall assess its liabilities at the amount at which they could be transferred or settled between the parties, voluntarily, knowingly and under normal competition conditions. No adjustment is made to the valuation of liabilities, depending on the creditworthiness of insurance or reinsurance undertakings.

Article 58. General provisions on assets

(1) Assets covering technical provisions and the minimum capital requirement are the assets of the insurance or reinsurance undertaking intended to cover future liabilities arising from the policies taken out by the company and possible losses due to risks related to the insurance or reinsurance business carried out by it, for which the company has to form technical reserves.

(2) The insurance or reinsurance undertaking has the obligation to invest the assets covering the technical provisions and the minimum capital requirement in accordance with the provisions of this law and with the normative acts of the supervisory authority. The value of the assets covering technical provisions must at all times be at least equal to the value of those provisions.

(3) The value of the assets covering the minimum capital requirement must at all times be at least equal to the value of this requirement.

(4) When selecting the types of investment of assets covering technical provisions and the minimum capital requirement, the insurance or reinsurance undertaking is required to take into account the types of insurance or reinsurance business it carries out in order to ensure safety, profitability and the maturity, diversity and risk of dispersion of such investments.

(5) Assets covering technical provisions and the minimum capital requirement must be liquid and cannot be pledged in any way, cannot be used as a source of payment for bank collateral obligations or cannot be burdened in any other way.

Article 59. Assets allowed to cover technical reserves and the minimum capital requirement

(1) Assets covering technical provisions and the minimum capital requirement may only be:

a) state securities issued by the Government of the Republic of Moldova;

b) state securities issued by the Government of an EU Member State or an OECD Member State, by an international financial organization or entity for which one of the nominees acts as guarantor, provided that the States or international financial institutions have a rating of BBB + or better;

c) admitted bonds of local government authorities of the Republic of Moldova and/or corporate bonds and/or bonds issued by local government authorities in an EU Member State or in an OECD Member State;

d) covered corporate bonds:

1) of high liquidity, traded on a regulated market, the value of which can be determined exactly, issued by a legal person based in the Republic of Moldova, in an EU Member State or in an OECD Member State;

2) which are not traded on a regulated market;

e) shares traded on a regulated market in the Republic of Moldova, an EU Member State or an OECD Member State;

f) shares that are not traded on a regulated market, when issued by a legal entity based in the Republic of Moldova;

g) shares of investment companies and fund units in circulation in the Republic of Moldova and other similar instruments practiced in other EU Member States or in other OECD Member States;

h) receivables arising from interest-bearing lending granted to policyholders up to the redemption value of their life insurance policies;

i) insured real estate and other real rights over them (for example, the right of surface, the right of habitation, the right of servitude, etc.), provided that:

1) they are registered in a real estate register of the Republic of Moldova or in an EU Member State or in an OECD member state;

2) they are income-generating or are expected to produce an economic gain;

3) they are determined at 75% of the fair value, with the exception of agricultural real estate and out-of-town real estate which will be admitted in proportion of 50% of the fair value;

4) they are free from bans and encumbrances;

5) constructions will be insured at fair value against all risks to which they are exposed;

j) deposits held in a bank licensed by the National Bank of Moldova whose registered headquarter is located in the Republic of Moldova or in a bank with a rating of at least BBB + in an EU Member State or in an OECD Member State ;

k) cash in pay desk and current accounts in banks licensed by the National Bank of Moldova;

l) receivables related to the underwritten premium, provided that they do not exceed 60 days from the due date provided in the insurance contract, and receivables related to insurance premiums subsidized by the state to insure production risks in agriculture and fisheries, provided that they do not exceed 270 days after the date of entry into force of the insurance contract;

m) shares held by reinsurers or co-insurers in technical provisions, provided that the reinsurance or co-insurance company holds at least a BBB + rating or complies to the Solvency II regime of an EU Member State or an OECD Member State, with the mandatory payment of the premiums related to the reinsurance or co-insurance contracts.

(2) The insurance or reinsurance undertaking permanently holds any of the assets provided in par. (1), but may not use the value of the assets covering the minimum capital requirement to cover technical provisions and conversely.

(3) By issuing regulations, pursuant to this Article, the supervisory authority may admit other categories of assets to cover technical provisions and the minimum capital requirement that are appropriate in terms of safety, cost-effectiveness and marketability, as well as it may specify restrictions on them.

(4) The insurance or reinsurance undertaking is mandatory required to develop a methodology for allocating the categories of assets allowed to cover technical provisions and the minimum capital requirement, which is submitted to the supervisory authority.

[Art.59 paragraph (1) amended by Law No 99 of 27.04.2023, in force as of 11.05.2023]

Article 60. Restrictions on assets allowed for hedging technical reserves and the minimum capital requirement

(1) The value of assets allowed to cover technical provisions shall not exceed the following limits of the total technical reserves:

a) the assets mentioned in art. 59 para. (1) letter a) are admitted in any amount;

b) the assets mentioned in art. 59 para. (1) letter b) must not exceed 15% in the case of a single issuer and 60% of the total;

c) the assets mentioned in art. 59 para. (1) letter d) point 1) must not exceed 5% in the case of a single issuer and 40% of the total;

d) the assets mentioned in art. 59 para. (1) letter e) must not exceed 5% in the case of a single issuer and 20% of the total;

e) the assets mentioned in art. 59 para. (1) letter h) for life insurance must not exceed 1% of the total;

f) real estate assets mentioned in art. 59 para. (1) letter i) must not exceed:

1) for non-life insurance - 2% in the case of one and the same real estate and 4% of the total;

2) for life insurance - 10% in the case of one and the same real estate and 25% of the total;

g) the deposits mentioned in art. 59 para. (1) letter j) must not exceed 20% in the case of a regular bank, 10% - in the case of a bank to which early intervention measures are applied by the National Bank of Moldova or a similar supervisory authority and 70% of the total;

h) the assets mentioned in art. 59 para. (1) letter k) in the form of cash in pay desk must not exceed 1% of the total, those from current accounts - 10% of the total and in the case of a bank to which early intervention measures are applied by the National Bank of Moldova or by a similar supervisory authority - 2% of the total;

i) the assets mentioned in art. 59 para. (1) letter l) must not exceed 1% in the case of a single debtor and 5% of the total, and the claims related to insurance premiums subsidized by the state are allowed up to a limit of 80% of the total technical reserves for the respective type of insurance;

j) the assets mentioned in art. 59 para. (1) letter m) must be within the quota limit.

(2) The value of the assets allowed to cover the minimum capital requirement must not exceed the following limits of the total minimum capital requirement:

a) the assets mentioned in art. 59 para. (1) letter a) are admitted in any amount;

b) the assets mentioned in art. 59 para. (1) letter b) must not exceed 15% in the case of a single issuer and 60% of the total;

c) the assets mentioned in art. 59 para. (1) letter c) must not exceed 5% in the case of a single issuer and 40% of the total;

d) the assets mentioned in art. 59 para. (1) letter d):

1) provided in the point 1) - must not exceed 5% in the case of a single issuer and 40% of the total;

2) provided in the point 2) - must not exceed 1% in the case of a single issuer and 2% of the total;

e) the assets mentioned in art. 59 para. (1) letter e) must not exceed 2% in the case of a single issuer and 5% of the total;

f) the assets mentioned in art. 59 para. (1) letter f) must not exceed 2% in the case of a single

issuer and 5% of the total;

g) the assets mentioned in art. 59 para. (1) letter g) must not exceed 5% of the total;

h) the assets mentioned in art. 59 para. (1) letter h) for life insurance must not exceed 1% of the total;

i) real estate assets mentioned in art. 59 para. (1) letter i) must not exceed 3% in the case of one and the same good and 10% of the total;

j) the deposits mentioned in art. 59 para. (1) letter j) must not exceed 20% in the case of a regular bank, 10% - in the case of a bank to which early intervention measures are applied by the National Bank of Moldova or a similar supervisory authority and 70% of the total;

k) the assets mentioned in art. 59 para. (1) letter k) cash in pay desk must not exceed 1% of the total, those from current accounts - 10% of the total and in the case of a bank to which early intervention measures are applied by the National Bank of Moldova or a similar supervisory authority - 2% of the total;

l) the assets mentioned in art. 59 para. (1) letter l) must not exceed 1% in the case of a single debtor and 10% of the total, and the claims related to insurance premiums subsidized by the state are allowed in any amount.

[Art.60 para. (1),(2) supplemented by Law No 99 of 27.04.2023, in force as of 11.05.2023]

Article 61. Location of assets covering technical provisions and the minimum capital requirement

(1) Insurance undertakings may invest assets covering technical provisions and the minimum capital requirement throughout the Republic of Moldova or a EU or OECD Member States.

(2) The supervisory authority may, with especially well-substantiated grounds and at the request of an individual insurance undertaking, allow this insurance undertaking to use as its assets covering technical provisions and the minimum capital requirement as an investment which does not meet the condition referred to in para. (1) of this Article.

Article 62. Correlation of assets covering technical provisions and the minimum capital requirement

(1) An insurance or reinsurance undertaking is required to have assets covering technical provisions and the minimum capital requirement that are exposed to the risk of possible loss due to changes in interest rates, exchange rate fluctuations and other risks at dealing with debts arising from insurance and/or reinsurance contracts whose amount depends on the same changes.

(2) When forming and maintaining assets covering technical provisions and the minimum capital requirement, insurance or reinsurance undertakings are required to take into account their maturity arising from insurance and/or reinsurance contracts.

(3) By derogation from the provisions of par. (1), insurance or reinsurance undertakings are required to correlate assets covering technical provisions and the minimum capital requirement with technical provisions relating to insurance and/or reinsurance contracts, the value of which depends on fluctuations in the official exchange rate, up to at least 80% of the value of technical provisions and the minimum capital requirement.

(4) By derogation from the provisions of par. (3), the reinsurance undertakings headquartered in the Republic of Moldova must limit the assets covering the technical provisions and the minimum capital requirement in foreign currency to 30% of the total technical reserves and the minimum capital

requirement.

Article 63. Special provisions regarding investment risk insurance

(1) When entitlements attributed to an insured party, policyholder or any other beneficiary pursuant to their insurance contracts are directly dependent on the value of a unit of a mutual or investment fund, investments relating to funds covering mathematical provisions set aside by the insurance undertaking with regard to those insurance contracts must, to the greatest extent possible, involve investments in investment coupons or other securities representing units of assets of that mutual or investment fund.

(2) When entitlements attributed to a policy holder, insured person or any other beneficiary pursuant to their insurance contracts are directly dependent on the changing of the index of securities or another reference value, investments relating to the fund covering mathematical provisions set aside by the insurance undertaking with regard to those insurance contracts must, to the greatest extent possible, involve investments in appropriate securities which, in terms of their characteristics and tradability, correspond to those serving as the basis to determine the index or other reference value.

(3) The supervisory authority shall prescribe in normative acts in detail the types of and restrictions on investments of the fund covering mathematical provisions with regard to an insurance from the life assurance class in which the insured person takes on the investment risk and the entitlements belonging to the policy holder, insured person or any other beneficiary on the basis of the insurance contract are directly linked to the value of a unit of the assets of the fund covering mathematical provisions.

(4) By derogation from the provisions of par. (3), regarding the insurance referred in par. (1) - (3), where the rights assigned to an insured party, policyholder or any other beneficiary also cover the minimum guaranteed payment to which the insured party, the policyholder or any other beneficiary is entitled, regardless of changes in the value of reference referred to in para. (1) - (3) of this article, the restrictions on individual investments provided in art. 60 shall apply separately to each fund covering the mathematical provisions set aside by the insurance undertaking for the purpose of covering the guaranteed part of the payment.

Article 64. Restrictions on certain categories of assets

(1) Will not be accepted as cover for technical provisions and the minimum capital requirement investments in entities or in share of contracts transferred to reinsurance to entities that no longer carry out current operations in connection with their activity and/or which, in any form have ceased their activity and/or have not complied with their obligations to third parties.

(2) For assets representing receivables arising from direct insurance operations and reinsurance acceptances, as well as for the share of technical provisions relating to contracts ceded to reinsurance, the insurer or reinsurer shall provide separate technical and accounting records, which allow their verification by supervisory authority at any time.

(3) Any situation, in which the records do not permit such verifications or where the amounts resulting from verifications made by the supervisory authority are different from those reported by the insurer or reinsurer will lead to the exclusion of these assets from the category of assets allowed to cover technical provisions and minimum capital requirement.

Article 65. Technical reserves

(1) The insurance or reinsurance undertaking creates and maintains, according to the business it carries out, sufficient technical reserves necessary to fulfil all the insurance and/or reinsurance obligations resulting from the insurance and/or reinsurance contracts.

(2) The amount of technical provisions must correspond to the current monetary value paid by an insurance or reinsurance undertaking for the immediate transfer of insurance and/or reinsurance obligations to another insurance or reinsurance undertaking.

(3) The calculation of technical reserves shall be performed in a prudent, reliable and objective manner and shall take into account the information provided on the financial markets and the generally available data on underwriting risks.

(4) The calculation of technical reserves, as well as the methods of estimating the claims provisions for compulsory motor third-party liability insurance for damage caused by vehicles and/or the minimum standards for their level shall be applied according to the provisions of this law and the manner established in the regulations of the supervisory authority.

Article 66. Calculation of technical reserves

(1) The insurer or reinsurer shall create and maintain, according to its business, sufficient technical reserves necessary for the fulfilment of all obligations arising from insurance and/or reinsurance contracts. The insurer or reinsurer is obliged to collect and maintain the information necessary for the creation of reserves at an appropriate level.

(2) The insurer operating in the "non-life insurance" category has the obligation to create and maintain the following technical reserves:

a) the unearned premiums reserve, which is calculated by summing the shares of the gross written premiums related to the unexpired periods of the insurance contracts, so that the difference between the volume of gross written premiums and this provision reflects the gross premiums allocated to the part of the risks expired at the calculation date;

b) the reported but unsolved claims reserve, which is created and updated on the basis of estimates for damages notifications received by the insurer so that the fund created is sufficient to cover such damages;

c) the incurred but not reported reserve, which is created and adjusted at least at the end of the financial year, based on the insurer's estimates, statistical data or actuarial calculations, for damages incurred but not reported, unless otherwise provided by the regulatory authority's regulations;

d) the unexpired risks reserve, which is calculated on the basis of an estimate of the damages that will occur after the end of the financial year, related to the insurance contracts concluded before that date, in the amount in which their estimated value exceeds the reserve of unearned premiums;

e) other categories of technical reserves established by the regulatory acts of the supervisory authority.

(3) The insurer operating in the “life insurance” category has the obligation to create and maintain the technical reserves for the life insurance fund, including the mathematical reserves and, when appropriate the reserves specified in par. (2).

(4) The mathematical reserve is calculated based on the necessary actuarial assessment, taking into account the future obligations of the insurer resulting from the individual insurance contracts.

(5) The insurer or reinsurer is required to provide the supervisory authority in the annexes to the annual financial statements explanations on the basis and methods used to calculate technical reserves.

(6) The size of the technical and mathematical reserves, created and maintained according to par. (2) and (3), may not be less than the amount obtained by calculating these reserves according to the normative acts of the supervisory authority.

(7) When the insurance and/or reinsurance contract provides for the collection of premiums and/or the payment of compensations in foreign currency, the related technical reserves are created and maintained in that currency.

(8) The way of creating and the categories of technical reserves, including mathematical reserves, shall be established by the normative acts of the supervisory authority.

(9) In calculating technical reserves, the insurer or reinsurer shall take into account:

a) all expenses related to the administration of obligations to contract party, policyholders, reinsured, beneficiaries of insurance and injured third parties, according to the insurance and/or reinsurance contracts;

b) inflation, including for expenses and claims;

c) all payments made to the insured, the reinsured, the beneficiaries of the insurance and the injured third parties, including the fact that the estimated future benefits will be paid, whether or not these payments are guaranteed by the contract.

Article 67. Assessment of financial guarantees and options included in insurance and/or reinsurance contracts

(1) When calculating technical reserves, the insurance or reinsurance undertaking shall take into account the amount of the financial guarantees and other rights included in the insurance and/or reinsurance contracts.

(2) The likelihood of exercising the contractual rights by the contract parties, policyholders or reinsurers, including those of termination, must be real and based on up-to-date and credible information. Insurance or reinsurance undertakings shall consider the impact that future changes in financial and non-financial terms may have on the exercise of these rights.

Article 68. Sums recoverable from reinsurance contracts

(1) The sums recoverable from reinsurance contracts related to technical provisions shall be calculated separately according to this law and the regulatory acts of the supervisory authority. Insurance or reinsurance undertakings shall calculate the sums recoverable from reinsurance contracts, taking into account the time lag between the actual recovery of reinsurance receivables and direct payments.

(2) The amount of sums recoverable from reinsurance contracts shall be adjusted based on an assessment of the probability of losses resulting from non-compliance with the contractual clauses by the reinsurer, according to the regulatory acts of the supervisory authority.

(3) The calculation mentioned in par. (2) takes into account possible non-reimbursement that might occur during the period of the reinsurance contract validity and any change in the probability of non-payments, as well as the way in which this change occurs. This calculation must be performed separately by each party and for each business line. In the field of non-life insurance, the calculation must also be made separately for technical provisions relating to premiums and technical provisions relating to outstanding claims.

Article 69. Quality of data and approximations applied. Comparison of the results with previous experiences

(1) Insurance or reinsurance undertakings shall establish internal processes and procedures that ensure the adequacy, completeness and accuracy of the data used in the calculation of technical provisions.

(2) If insurance or reinsurance undertakings do not have a sufficient amount of data of adequate quality to apply a reliable actuarial method to insurance and/or reinsurance obligations or sums recoverable from reinsurance contracts, appropriate approximations may be used with the appropriate arguments.

(3) Insurance or reinsurance undertakings shall establish processes and procedures to ensure a permanent comparison of methods of creating technical provisions with previous experience.

(4) When after such a comparison a systematic difference is identified between previous experience and the calculation of technical provisions, the insurance or reinsurance undertaking shall make the necessary adjustments to the actuarial methods used to calculate technical provisions.

Article 70. Adequacy and increase of technical reserves

(1) The supervisory authority shall require insurance or reinsurance undertakings to submit:
   a) adequacy of the level of technical reserves;
   b) the adequacy and relevance of the methods applied and the statistical data used.
(2) If the calculation of the technical reserves of the insurance or reinsurance undertakings is carried out in violation of the provisions of this law, the supervisory authority shall request them to increase the value of the technical reserves up to the regulated level.

Article 71. Determination of own funds

Own funds requirements and categories, items that are included in the calculation of own funds, conditions and limits to which they may be taken into account, prudential filters, deductions from own fund items, reductions in own funds levels and any other requirements for their determination are provided by the normative acts of the supervisory authority.

Section 4
Solvency of the insurer or reinsurer

Article 72. Solvency and financial stability of its insurer or reinsurer

(1) The solvency of the insurer or reinsurer is its financial capacity to meet its payment obligations in a timely and complete manner.

(2) The insurer or reinsurer must always hold sufficient own funds in respect of the activity carried out.

(3) Depending on the classes of insurance or reinsurance activities performed, the insurer or reinsurer has the obligation to determine its solvency ratio, the calculation and reporting methods of which are established by the regulatory acts of the supervisory authority.

(4) The financial stability of the insurer or reinsurer is its ability to meet the solvency ratio for the entire duration of certain liabilities assumed under insurance and / or reinsurance contracts, as well as future liabilities.

(5) The solvency ratio of the insurer or reinsurer must be at least 100%. The insurer or reinsurer has the obligation to maintain the solvency ratio at a level lower than that specified, below which it is considered incapable of paying its debts as they become eligible.

(6) The financial stability of the insurer or reinsurer is guaranteed by:
a) the level of own funds;
b) all assets and their degree of diversification and liquidity;
c) technical and mathematical reserves;
d) the relationship between the insurance obligations and the obligations assigned to reinsurance;
e) the efficiency of the investment policy.

(7) The requirements for assets admitted to cover technical provisions, including the mathematical reserves of the insurer or reinsurer, the minimum capital requirement, the asset diversification rules, and the method of calculating and reporting the solvency ratio and liquidity ratio are established by the normative acts of the supervisory authority.

Article 73. Frequency of calculating the solvency ratio

(1) The insurer or reinsurer shall calculate the solvency ratio at least quarterly and at any other date requested by the supervisory authority and shall present the result of its calculation.

(2) The insurer or reinsurer is required to have sufficient own funds to cover the additional 10% safety margin at the minimum solvency ratio.

Section 5
Minimum capital requirement

Article 74. Calculation of the minimum capital requirement

(1) The absolute floor of the minimum capital requirement shall be:
a) the equivalent in lei of 2200000 EUR (at the official exchange rate of the Moldovan leu provided by the National Bank of Moldova) - for the insurance companies that carry out activity in the category “non-life insurance” and do not fall under the incidence of letter b);
b) the equivalent in lei of EUR 3200000 (at the official exchange rate of the Moldovan leu provided by the National Bank of Moldova) - for the insurance companies operating in the category "non-life insurance" and underwriting fully or partially the risks from insurance classes 10-15 of compartment B of the annex;

c) the equivalent in lei of EUR 3200000 (at the official exchange rate of the Moldovan leu provided by the National Bank of Moldova) - for insurance companies operating in the "life insurance" category;

d) the equivalent in lei of EUR 3200000 (at the official exchange rate of the Moldovan leu communicated by the National Bank of Moldova) - for reinsurance companies that carry out exclusively reinsurance activity;

e) the total amounts provided in letter a) and c) or b) and c) - for composite insurance companies practicing simultaneous activity.

(2) At the moment of state registration, the insurer or reinsurer must meet the absolute floor of the minimum capital requirement provided in para. (1) and to dispose of the funds deposited fully in cash in a bank account by its founders. The insurance or reinsurance undertakings calculate the equivalent value in lei of the amounts in euro, with effect from December 31 of each year, depending on the official exchange rate communicated by the National Bank of Moldova for October 31.

(3) The contributions to the share capital are deposited fully in cash both at the establishment and at the increase of this capital.

(4) Funds obtained from loans, bank loans, pledges or other attracted funds, including advances from insurance market participants and third parties, may not serve as a source of formation or increase of share capital and / or equity of the insurer or reinsurer.

(5) The legal person has the right to pay the shares of the insurer or reinsurer in cash, within the limits of its own capital (net assets).

(6) The insurer or reinsurer has the right to acquire its own shares from its shareholders, provided that the legislation on joint stock companies and the provisions of the normative acts regarding the financial stability and solvency of the insurer or reinsurer are complied with.

(7) The insurance or reinsurance undertaking shall maintain own funds sufficient to cover the minimum capital requirement calculated in accordance with para. (8), but in an amount not lower than the absolute floor set out in para. (1).

(8) The method of calculation and the determination of the elements of the minimum capital requirement are established by the normative acts of the supervisory authority.

[Art.74 para.(1),(2),(7),(8) amended by Law No 99 of 27.04.2023, in force as of 11.05.2023]

Section 6
Investments

Article 75. Prudential investment rules

(1) Insurance or reinsurance undertakings invest only in assets whose risks can be properly identified, measured, monitored, managed, controlled and reported and which can be taken into account to cover global solvency needs as determined by the internal risk assessment and solvency.

(2) All investments, including those that constitute assets covering technical provisions and the minimum capital requirements shall be such as to ensure the safety, quality, liquidity, profitability and accessibility of the entire investment portfolio.

(3) Assets admitted to cover technical provisions and the minimum capital requirement shall be invested in a manner appropriate to the nature and duration of the insurance or reinsurance obligations. These assets shall be invested in the full interest of all contract holders, policyholders, reinsurers, beneficiaries and third parties affected by the conditions of the contract.

(4) When investing the assets allowed to cover technical provisions and the minimum capital requirement, the insurance or reinsurance undertaking has the obligation to take into account the maturity of its obligations arising from the insurance and / or reinsurance contracts.

(5) In the case of investments which constitute assets corresponding to the activity of "life insurance" category in which the investment risk is assumed by the policyholders or insured persons and the benefits offered by a contract are directly related to the value of the units in a collective investment undertaking. securities, an index of shares or another reference value, the technical provisions corresponding to those benefits must be represented as accurately as possible by those values and those assets.

(6) If the benefits mentioned in para. (5) include guarantees of return on investment or other guaranteed benefits, the following shall be taken into account:

a) the investment in financial instruments is made to the extent that the risks are minimal;

b) ensuring the efficient management of the investment portfolio;

c) maintaining at a prudent level investments and assets that are not admitted to trading on a regulated market;

d) sufficient diversification of investments so as to avoid over-reliance on a particular asset, issuer, group of companies or geographical area, as well as excessive accumulation of risks throughout the portfolio;

e) investments in assets issued by the same entity or entities, belonging to the same group, are made in such a way as to avoid excessive risk concentration.

(7) The supervisory authority has the right to establish, through its normative acts, quantitative requirements additional to those mentioned in art. 59–64 on investments, trading, record keeping and disclosure of financial instruments.

Article 76. Restrictions on the transactions of insurance or reinsurance undertakings

(1) The insurance or reinsurance undertaking may not invest more than 15% of its own capital, according to the last audited management year, in the share capital of a company without the prior approval of the supervisory authority.

(2) Significant transactions within the meaning of joint stock company law and capital market law with the assets of the insurer or reinsurer shall be carried out with the prior approval of the supervisory authority.

(3) The insurance or reinsurance undertaking is prohibited:

a) to participate in the share capital of legal entities with one of the legal forms of organization of a collective or limited partnership;

b) to obtain credits or loans in an amount exceeding 10% of the value of share capital without the prior approval of the supervisory authority.

(4) The terms, the procedure and the way of issuing the approval provided in para. (1) - (3) shall be established by the normative act of the supervisory authority.

(5) The insurer or reinsurer has the obligation, within 5 days, to inform the supervisory authority about the pledge of its assets, the granting of guarantees, the assumption of commitments and the taking over of another obligation not reflected in the balance sheet. The requirements regarding the keeping of the register of guarantees, commitments and other obligations of the insurer or reinsurer, as well as the manner of their issuance shall be established by the regulatory acts of the supervisory authority.

Section 7
Insurance or reinsurance undertakings in difficulty

Article 77. Identification and notification of the deterioration of the financial situation

(1) Insurance or reinsurance undertakings shall have procedures in place to identify the deterioration of the financial situation, so that when such deterioration occurs, they shall immediately notify the supervisory authority.

(2) Deterioration of financial statements implies non-compliance with:

a) the requirements of this law on technical provisions and / or restrictions on assets covering those provisions;

b) the solvency ratio requirement supplemented by the additional safety margin of 10%, a requirement provided by this law;

c) the minimum capital requirement and / or restrictions on assets covering the minimum capital requirement;

d) the liquidity ratio which, at the end of a quarter, is at or below the norm set by the regulatory acts of the supervisory authority;

e) reinsurance requirements.

(3) The insurance or reinsurance undertakings shall inform the supervisory authority as soon as it finds one of the situations referred to in para. (2) or if there is a risk of their occurrence in the next 3 months.

(4) If an insurance or reinsurance undertaking identifies one of the situations provided in para. (2), the supervisory authority prohibits the free disposal of the assets admitted to cover the minimum capital requirement and / or the obligations related to the insurance and / or reinsurance contracts. If the insurance or reinsurance undertaking has branches in third countries or is a branch of an insurance or reinsurance undertaking in a third country, the supervisory authority shall inform the competent authority of the host State or State of origin of the measures imposed on this company.

(5) Within up to 2 months from the finding of the deterioration of the financial situation provided in para. (2), except for letter c), the insurance or reinsurance undertaking submits to the supervisory authority for approval a recovery plan.

(6) Upon finding the non-compliance with the minimum capital requirement, the insurance or reinsurance undertaking shall submit to the supervisory authority for approval, within one month, a real short-term financing plan to be reinstated within 6 months of that finding, the minimum capital requirement at the level established by this law.

(7) Upon finding the deterioration of the financial situation according to para. (2) let. c), cumulatively with any other situation provided in the same paragraph, the insurance or reinsurance

undertaking submits for approval to the supervisory authority a recovery plan, which will contain measures specific to the financing plan, under the conditions of para. (6).

(8) The supervisory authority shall require the insurance or reinsurance undertaking to take the necessary steps to restore, within 3 months of the deterioration of the financial situation, the level of own funds and the solvency ratio requirement supplemented by the additional safety margin of 10%, or in order to reduce its risk profile in order to ensure compliance with the solvency ratio requirement, as well as to meet the requirements on technical provisions, liquidity ratio and reinsurance requirements. The supervisory authority has the right to extend this period by 3 months if necessary.

(9) In case of exceptional fluctuations of the financial markets, the supervisory authority may extend the period provided in para. (8) for a period of up to 3 months, taking into account all relevant factors.

(10) The insurance or reinsurance undertaking shall submit to the supervisory authority, every 3 months, an activity report showing all the measures taken and the progress made in restoring the level of own funds, the solvency ratio requirement supplemented by the additional safety margin of 10% or to reduce the risk profile so as to ensure compliance with the solvency ratio requirement, as well as meeting the requirements on technical provisions and the liquidity ratio and the requirements on reinsurance.

(11) Extension of the term according to para. (8) and (9) does not apply in cases where it is established, following the presentation of the activity report, that the insurance or reinsurance undertaking has not improved the deteriorated financial situation. If the supervisory authority considers that the company's financial situation will continue to deteriorate, it may restrict or prohibit the free disposal of all assets of that company. If the insurance or reinsurance undertaking has branches in third countries or is a branch of an insurance or reinsurance undertaking in a third country, the supervisory authority shall inform the competent authority of the host State or State of origin of the measures imposed on this company.

(12) The rules and procedures for the recovery and resolution of insurance or reinsurance undertakings in the Republic of Moldova shall be established by special law.

Article 78. Supervision in case of deterioration of the financial situation

(1) If the situation of an insurance or reinsurance undertaking continues to deteriorate, the supervisory authority shall have the right to take all necessary measures to protect the interests of policyholders, insured, reinsured, beneficiaries of insurance and third parties to ensure the execution of the obligations resulting from the reinsurance contracts.

(2) The supervisory authority shall designate one or more persons responsible for monitoring the implementation by the insurance or reinsurance undertaking of the recovery plan or financing plan.

(3) The tasks of the persons appointed to monitor the implementation of the recovery plan or financing plan shall be determined by the supervisory authority and shall cover at least:

a) analysis of the financial situation of the insurance or reinsurance undertaking;

b) monitoring the implementation of the actions provided in the recovery plan or in the financing plan;

c) monitoring the way in which the management of the insurance or reinsurance undertaking acts to establish and implement the measures necessary to remove the factors which have led to the worsening of the financial situation;

d) assessing the impact of actions taken by the insurance or reinsurance undertaking to carry out the recovery plan or financing plan;

e) submission to the insurance or reinsurance undertaking of proposals concerning:

1) review, suspension or repeal of decisions issued by the competent bodies of the insurance or reinsurance undertaking which lead to a worsening of the financial situation;

2) changing and / or supplementing strategies, operational activity, investment policies and risk management;

3) any other measures deemed necessary to remove the factors which led to the deterioration of the financial situation of the insurance or reinsurance undertaking;

f) formulating recommendations to the supervisory authority in order to apply measures and / or restrictions provided by this law.

(4) The persons appointed in accordance with para. (2) have access to all information, documents, reports and records of the insurance or reinsurance undertaking, being required to maintain their confidentiality and related transactions.

(5) The management bodies of the insurance or reinsurance undertaking shall not impede the exercise of delegated tasks to the persons appointed to monitor the implementation of the recovery plan or financing plan.

Article 79. Recovery plan or financing plan

(1) The recovery plan or financing plan shall be designed in such a way as to clearly indicate the effective measures to improve the financial situation of the insurance or reinsurance undertaking and shall include at least a detailed description or supporting documents regarding:

a) detailed analysis of the factors which led to the deterioration of the financial situation of the insurance or reinsurance undertaking;

b) factors which have adversely affected the business of the insurance or reinsurance undertaking;

c) estimation of management expenses, in particular current general expenses and commissions;

d) estimation of income and expenses in respect of direct insurance business, reinsurance acceptances and disposals;

e) forecast balance;

f) estimating the financial resources needed to cover technical provisions and the minimum capital requirement;

g) general reinsurance policy;

h) the actions that will be taken to remove the factors that have led to the deterioration of the financial situation of the insurance or reinsurance undertaking, i.e. the measures that will be taken for the compliance of the insurance or reinsurance undertaking with the established regulations and will not jeopardize its activity;

i) progress indicators for each action in the recovery plan or financing plan and the deadlines for carrying them out;

j) the persons responsible for carrying out the actions for each point in the recovery or financing plan separately.

(2) If the supervisory authority requests the presentation of a recovery plan or a financing

plan, it will not approve the transfer of the portfolio, under the conditions of this law, as long as it considers that the rights and interests of the contractors, insured, insurance beneficiaries, third parties and other persons whose rights may be infringed or the contractual obligations of the insurance or reinsurance undertaking are compromised.

Article 80. Resolution of insurance or reinsurance undertakings

(1) If the recovery plan or financing plan provided in art. 79 does not result in the expected results and / or the cumulative meeting of the conditions mentioned in para. (4) of this Article, the supervisory authority shall issue the decision on the establishment of the resolution of the insurance or reinsurance undertaking.

(2) The objectives of the resolution are as follows:

a) protection of the rights and interests of contractors, policyholders, insurance beneficiaries, third parties and other persons whose rights may be infringed;

b) minimizing the impact on funds managed by the national bureau;

c) avoiding significant negative effects on the financial stability of the insurance market, in particular by preventing contagion, and on market infrastructure, in particular by maintaining market discipline;

d) ensuring the continuity of critical functions.

(3) For the purposes of this law, the critical functions are the provision of services or operations in the insurance or reinsurance activity of an insurer or reinsurer to persons not affiliated to it and / or the impossibility of providing services or operations that have a significant impact on the activity of persons, causing loss of confidence in professional participants of the insurance market.

(4) The supervisory authority may apply a resolution measure to an insurance or reinsurance undertaking under the following conditions:

a) the insurance or reinsurance undertaking has not drawn up an appropriate recovery plan or financing plan to restore the solvency position required by this Act within the time limits set by the supervisory authority;

b) the insurance or reinsurance undertaking does not implement the recovery plan or the financing plan within the time limits set by the supervisory authority;

c) shareholders or staff prevent the execution of the recovery plan or financing plan;

d) the insurance or reinsurance undertaking enters or is likely to enter into a state of major difficulty;

e) the resolution measure is necessary from the perspective of the public interest.

(5) For the purposes of this Article, an insurance or reinsurance undertaking shall be deemed to enter or is likely to enter a state of major difficulty if one of the following conditions is met:

a) the insurance or reinsurance undertaking infringes the conditions of licensing or is likely to infringe them in the near future, to the extent that it would justify the suspension or withdrawal of the license by the supervisory authority, including if the insurance or reinsurance undertaking has or is liable to incur losses which will exhaust all or a significant part of its own funds, in particular the situations provided for in art. 30;

b) the assets of the insurance or reinsurance undertaking are lower than the liabilities or, according to objective analyses, this is expected to happen in the near future;

c) the insurance or reinsurance undertaking is unable to pay the claims and / or compensations due to the insured, the beneficiaries and third parties, or, according to objective analysis, this is expected to happen in the near future.

(6) For the purposes of this article, the resolution measure is considered to be in the public interest, necessary for the achievement of one or more of the objectives of the resolution, provided in para. (2), and the liquidation of the insurance or reinsurance undertaking, in accordance with the insolvency proceedings, would not allow the objectives of the resolution to be achieved to the same extent.

(7) The supervisory authority shall be empowered to apply to insurance or reinsurance undertakings which meet the conditions for triggering the resolution the following resolution instruments:

a) sale of the business and portfolio;

b) special administration;

c) other instruments established in accordance with the legislation on the recovery and resolution of insurance or reinsurance undertakings.

(8) The supervisory authority is competent and empowered to decide on the application of the instruments provided in para. (7), separately or cumulatively, in order to prevent the state of insolvency and, if possible, to avoid the initiation of insolvency or liquidation proceedings.

(9) For the purpose of implementing the instruments provided in para. 7, the supervisory authority shall draw up the resolution plan which shall be binding on the insurance or reinsurance undertaking and, where applicable, on the special manager and which shall contain at least the following:

a) the prospects of the resolution plan;

b) an estimation of administration and acquisition costs;

c) the budget of revenues and expenses related to the activity of direct insurance, acceptances and ceding to reinsurance;

d) the annual budget of the insurance or reinsurance undertaking;

e) an estimation of the financial resources intended to cover the obligations assumed, taken into account in determining the minimum capital requirement;

f) reinsurance and/or retrocession programs;

g) progress indicators for each action in the resolution plan, deadlines and how to carry them out;

h) information on claims submitted by policyholders, insurance beneficiaries and injured third parties, including claims arising from legal disputes;

i) the criteria for selecting the buyer, in case of application of the instrument of sale of the activity and of the portfolio.

(10) The insurance or reinsurance undertaking shall assist in drawing up and updating the resolution plan. In addition to the instruments provided in par. (7), in the decision on the establishment of the resolution, the supervisory authority may order the application by the insurance or reinsurance undertaking or by the special administrators of one or more of the following measures:

a) limiting or reducing, for a certain period, the volume of premiums written for all classes of insurance or reinsurance activities or for certain classes of insurance or reinsurance activities, so that the premiums written do not exceed certain established ceilings;

b) prohibition of the renewal of expired insurance and/or reinsurance contracts or of certain types of insurance and/or reinsurance contracts expressly established by the decision of initiation of the resolution;

c) the prohibition of the subscription of new or certain insurance and/or reinsurance contracts and of the collection of the related premiums for the period expressly established by the decision of

initiation of the resolution;

d) the transfer, in whole or in part, by the insurance or reinsurance undertaking of the insurance and/or reinsurance portfolio in compliance with the legal provisions in force. If the transfer of the portfolio has been arranged, the insurance or reinsurance undertaking shall urgently carry out the portfolio transfer operations within 60 days of the date of adoption of this measure;

e) prescribing the increase of the share capital. The decision to increase the share capital will limit or suspend the payment of dividends or other payments to shareholders, will limit the transfer of assets and the buyback by the insurance or reinsurance undertaking of its own shares and, if it is a justified action, will lead to liquidation or limitation of the activity of branches/subdivisions which jeopardize the financial stability of the insurance or reinsurance undertaking;

f) prohibiting the insurance or reinsurance undertaking from making certain investments and/or ordering the withdrawal or disposal of such investments;

g) shrinking the territorial network of the insurance or reinsurance undertaking by abolishing according to the law of branches and subdivisions, dismissing persons with management positions and those in key positions responsible for the entry of the insurance or reinsurance undertaking in the resolution procedure;

h) verification, inventory and instrumentation of all claimed but unsolved damages, in order to assess the actual damages and to establish the payment obligations towards the insured, the reinsured, the beneficiaries of the insurance and the damaged third parties. The activity of verification, inventory and instrumentation of the files will be done urgently, without exceeding the term of 30 days from the date of issuing the decision to open the resolution procedure;

i) suspension of all bank account transactions, except for current maintenance expenses, cash receipts and the payment of insurance compensations and/or indemnities for insurance and/or reinsurance contracts concluded prior to the opening of the resolution procedure, which will be carried out with the prior approval of the supervisory authority;

j) suspension of the payment of bonuses or contractual compensatory payments to members of the undertaking's board, persons holding positions of high responsibility or holding key positions.

(11) The supervisory authority has the right to order the application of precautionary measures on the assets of the insurance or reinsurance undertaking under resolution.

Article 81. Selling of the business and/or insurance portfolio and/or reinsurance

(1) The selling of the insurance and/or reinsurance business and portfolio takes place by transferring of:

a) shares and other securities issued by an insurance or reinsurance undertaking subject to resolution;

b) any other class of assets, rights or liabilities of an insurance or reinsurance undertaking which is in resolution or all together, including by transferring the insurance and/or reinsurance portfolio.

(2) When applying the instrument of selling of the business and the insurance and/or reinsurance portfolio, the supervisory authority, as a resolution authority, shall place on the market or take measures to market the assets, rights, obligations, shares or other property that it intends to transfer. Asset groups, rights and obligations may be placed for sale separately.

(3) The provided in par. (2) placing on the market shall be carried out according to the following criteria:

a) the assets, rights, obligations, shares or other property, which the supervisory authority as resolution authority intends to transfer, must be set out transparently and detailed, taking into account the circumstances and particularly the need to maintain financial stability;

b) must not favour or discriminate any potential buyer;

c) must be free from any conflict of interest;

d) must not give any undue advantage to any potential buyer;

e) must take into account the need for swift resolution;

f) aims to maximize the selling price of the assets, rights, obligations, shares or other property.

(4) When transferring the shares, which takes place within the application of the instrument of selling the business and the portfolio, would lead to the acquisition or increase of a qualifying holding in an insurance or reinsurance undertaking, then the potential acquirer will be subject to assessment by the supervisory authority under the provisions of this law. By derogation from art. 30, the assessment period of the potential acquirer is reduced to 30 days.

(5) If the supervisory authority does not identify a potential acquirer within the time limit provided in par. (4), it may decide to apply the special administration procedure.

(6) The transfer of ownership of the shares of the insurance or reinsurance undertaking is carried out under the provisions of the legislation on the capital market and other normative acts.

(7) Any consideration shall be paid by the buyer in favour of:

a) holders of shares and/or other instruments of ownership, if the selling of the business and portfolio was carried out by transferring to the buyer the shares and/or other instruments of ownership issued by the insurance or reinsurance undertaking subject to the resolution, from the owners of the respective shares and/or instruments of ownership;

b) to the insurance or reinsurance undertaking subject to the resolution, if some or all of the assets or liabilities of the insurance or reinsurance undertaking under resolution have been transferred.

(8) The selling of the business and the portfolio may be done repeatedly if the measures applied previously are not sufficient.

(9) If the buyer is a professional participant on the non-banking financial market, it requires the prior approval of the supervisory authority to take over the activity under the provisions of par. (1).

(10) The supervisory authority shall carry out the necessary assessment in order to allow the prompt application of the selling instrument of the business and the portfolio and to facilitate the achievement by the resolution measure of its relevant objectives.

Article 82. Special administration

(1) In the event of a decision to establish special administration impacting a branch of an insurance or reinsurance undertaking in a third country as well and of an insurance or reinsurance undertaking which has established branches in third countries, the supervisory authority shall notify the competent authority from the State of origin or the host State, where applicable, before the decision is given. The notification shall specify the legal consequences and effects of the decision and shall also be made in the event of an extension of the duration of the special administration under this Article.

(2) If the issuance of the decision provided in par. (1) cannot be postponed, the supervisory authority shall notify, immediately after the issuance of the decision, the competent authority of the State of origin or of the host State.

(3) The duration of the special administration may not exceed one year from the date of notification to the addressee of the decision on the establishment of the special administration, with the possibility of extension for the same period.

(4) The supervisory authority shall appoint two or more special administrators by decision to establish the special administration and shall determine their duties. An employee of the supervisory authority or an auditor holding a certificate of qualification for this activity may be appointed as a special administrator.

(5) The appointed special administrators must comply with the requirements laid down for the members of the executive body of the insurance or reinsurance undertaking.

(6) The special administrators shall exercise their powers according to the legal provisions and shall be liable only to the supervisory authority which has the right to issue binding provisions and recommendations in connection with their work.

(7) If the special administrators do not comply with the legal provisions, do not exercise or perform their duties under the expectations, the supervisory authority will order their dismissal and the appointment of the new administrators.

(8) From the moment of appointment, the special administrators shall take over and manage the business of the insurance or reinsurance undertaking while the management bodies of that undertaking shall immediately allow access to all business and other documents, assets, rooms, registers and any other information of that undertaking. When establishing the special administration, the management bodies of the undertaking prepare a report on the handing over of the business to the special administrators. Upon request, the management bodies of the undertaking shall provide to the special administrators' additional explanations or reports concerning the operations of the insurance or reinsurance undertaking.

(9) During the period of special administration, the rights and obligations of the undertaking's board and the executive body of the insurance or reinsurance undertaking shall be suspended and shall be exercised by the special administrators. With the written consent of the supervisory authority, the special administrators may delegate some of their powers to other persons.

(9^1) In the case of the application of special administration as a resolution tool in accordance with Article 80, para. (7), (b), and without prejudice to para. (9) of this Article, the rights and obligations of the shareholders of the insurance or reinsurance undertaking shall be suspended, except in the event of an increase in the share capital and the convening of a general meeting of shareholders for that purpose.

(10) Without prejudice to para. (9), the general meeting of the shareholders of the insurance or reinsurance undertaking may take decisions to increase the share capital of the insurer or reinsurer.

(11) Legal acts and/or actions performed in the name and on behalf of the insurance or reinsurance undertaking shall be null and void if they are committed in violation of the provisions of this article and are not coordinated with or approved by special administrators.

(12) The change of the management bodies of the insurance or reinsurance undertaking by the establishment of the special administration is subject to registration in the state register of legal entities. The request regarding the registration of the amendments in the state register of legal entities shall be submitted, with the annexing of the decision of the supervisory authority regarding the establishment of the special administration, within 3 days from the date of issuing this decision.

(13) When taking over the management of the insurance or reinsurance undertaking, the special administrators carry out the inventory within the undertaking and draw up a report on the results of the inventory and the detected deficiencies.

(14) At least for each quarter following the establishment of the special administration, the special administrators shall draw up a report on the financial situation of the insurance or reinsurance undertaking and submit it for approval to the supervisory authority.

(15) Within at longest 3 months from the establishment of the special administration, the special administrators shall submit to the supervisory authority a report on the financial situation and operating conditions of the insurance or reinsurance undertaking in the special administration. This report shall include an assessment of the undertaking's economic stability and future viability, including:

a) the financial capacity of the shareholders of an insurance or reinsurance undertaking to cover losses and their impact on the financial situation of the undertaking;

b) the possibilities of redistribution and dispersion of other losses of the insurance or reinsurance undertaking;

c) unforeseen expenses that may affect the obligations of the insurance or reinsurance undertaking;

d) possible measures that can be taken to eliminate the financial issues of the insurance or reinsurance undertaking, including the transfer of the portfolio, including the assessment of the costs related to the fulfilment of these measures;

e) the conditions for the establishment of compulsory insolvency proceedings or the winding-up of the insurance or reinsurance undertaking.

(16) Based on the information and conclusions of the special administrators set out in the report submitted for approval, the supervisory authority shall be entitled to:

a) extend the term of the special administration if there is a change in the financial situation of the insurance or reinsurance undertaking and if the circumstances which led to the establishment of the special administration have been partially removed and there are no grounds for initiating insolvency or winding-up proceedings;

b) to cease special administration if it is established that the reasons that led to the establishment of special administration have disappeared;

c) withdraw the insurance or reinsurance undertaking's license and initiate insolvency or winding-up proceedings if the supervisory authority considers that, during the special administration, the financial situation of the insurance or reinsurance undertaking has not improved.

(17) The supervisory authority shall also have the right to apply the instrument of special administration when there are significant breaches of corporate governance which could jeopardize the financial condition of the insurance or reinsurance undertaking.

[Art.82 paragraph (9) amended, paragraph (9^1) introduced by Law No 214 of 20.07.2023, in force as of 03.08.2023]

Section 8
Reorganization and winding-up of insurance or reinsurance undertakings

Article 83. Reorganization measures

(1) The reorganization of the insurance or reinsurance undertaking is carried out according to the legislation on joint stock companies, the provisions of this law and the regulatory acts of the supervisory authority.

(2) The reorganization of the insurance or reinsurance undertaking shall be carried out with the prior approval of the supervisory authority and shall be recorded by the Public Service Agency only after obtaining the prior approval of the supervisory authority.

(3) The insurance or reinsurance undertaking established by reorganization begins its activity only after obtaining the license under the provisions of this law.

(4) The reorganization measures shall not prevent the opening of a procedure for the winding-up of the insurance or reinsurance undertaking by the supervisory authority.

(5) Only an insurance or reinsurance undertaking may be created by reorganizing insurance or reinsurance undertakings.

(6) At the reorganization of the insurance or reinsurance undertaking which has branches in third countries, the obligatory information of creditors on the reorganization, as well as the right to file claims for honour, also apply to creditors of the branch of the insurance or reinsurance undertaking in the third country.

Article 84. Winding-up procedure

(1) The insurer or reinsurer enters into winding-up by:
a) company shareholders' general meeting decision;
b) the irrevocable court decision;
c) withdrawal of the license regarding the development of the insurance or reinsurance business according to art. 16.

(2) Initiation of the winding-up procedure in the cases provided in par. (1) lit. a) and b) entails the withdrawal of the insurance or reinsurance undertaking's license. Withdrawal of the license shall not prevent the liquidator from carrying on some of the activities of the insurance or reinsurance undertaking to the extent that this is necessary or appropriate for the purpose of the winding-up and shall be subsequently notified immediately to the supervisory authority.

(3) Contract parties, policyholders, reinsurers, beneficiaries of insurance, injured third parties and other persons whose rights may be infringed, as well as resident or foreign public authorities, if the insurance or reinsurance undertaking operates in the territory of a third State, have the right to claim their receivables or to present documents related to them.

(4) Upon presentation of the receivables or documents relating to them, the contract party, the insured, the reinsured, the beneficiary of the insurance, the injured third party and other persons whose rights may be infringed shall submit to the liquidator copies of any supporting documents and

indicate:

a) the nature and value of the receivable;

b) the date of appearance of the receivable;

c) if he claims a lien, security or a reservation of title in respect of the claim;

d) what are the goods covered by his insurance, if any.

(5) When an insurance or reinsurance undertaking is being in winding-up process, the claims of contract parts, policyholders, reinsurers, beneficiaries, third parties and other persons whose rights may be infringed shall have absolute precedence over other receivables of the undertaking in respect of:

a) assets allowed to cover technical provisions, including mathematics, which primarily satisfy the claims of contract parties, insured persons, reinsured persons, insurance beneficiaries, injured third parties and other persons whose rights may be infringed; and/or

b) all the assets of the insurance or reinsurance undertaking, except:

1) the receivables of the employees of the insurance or reinsurance undertaking that are liquidated by paying the salary for the period of up to 6 months prior to the adoption of the liquidation decision;

2) receivables from the national public budget for the period up to one year prior to the adoption of the liquidation decision;

3) receivables held by social security systems.

(6) The liquidators shall inform the creditors in writing, at least monthly, of the progress of the winding-up.

(7) The liquidator, for the purposes of this law, is a person appointed by the court and who complies with the requirements of the regulatory act of the supervisory authority.

Article 85. Special register of assets

(1) Each insurance or reinsurance undertaking shall keep at its head office a special register of assets admitted covering the minimum capital requirement and technical provisions calculated and placed according to this law.

(2) Where an insurance company carries out activities in both the "life insurance" and the "non-life insurance" business, it shall keep separate registers for each category of business within its head office. If the insurance undertaking is licensed to carry out the activity in the category of "life insurance" and subscribes the risks of classes 1 and 2 listed in section A of the Annex, the insurance undertaking has the right to keep a single register for all businesses.

(3) Once the winding-up procedure has been initiated, it is inadmissible to amend the data entered in the special assets register, except for the correction of technical errors, with the prior opinion of the supervisory authority. Any change in the data entered in this register without the prior notice of the supervisory authority shall result in their absolute invalidity.

(4) Without prejudice to para. (3), in the special register of assets the liquidator will update by supplementing with the assets obtained in the period between the opening of the winding-up procedure and the payment of the insurance receivables or until a portfolio transfer is made.

(5) If the eligible assets are traded at a value lower than their estimated value in the register, the liquidator shall draw up and send to the supervisory authority a note justifying the found

differences.

(6) The supervisory authority may request or provide, at the request of the competent authority of the third country, information on the progress of the procedure for winding-up the insurance or reinsurance undertaking.

(7) The specifics of initiating, carrying out and finalizing the procedure for winding-up of insurance or reinsurance undertakings shall be established by the normative acts of the supervisory authority.

Article 86. Insurance guarantee fund

(1) When insurer becomes insolvent, in order to protect the interests of the contract party, policyholder, the reinsured, to the beneficiary of the insurance and to the injured third party, through the insurers' contribution, the Insurance Guarantee Fund is established, intended for the payment of compensations and/or insurance indemnities resulting from the compulsory and voluntary (optional) insurance contracts, concluded under the conditions of this law.

(2) The insurance guarantee fund shall consist of annual contributions made by insurers in proportion to the volume of written premiums.

(3) The contribution to the Insurance Guarantee Fund shall be calculated, recorded, paid and reported by the insurer separately for non-life insurance and life insurance respectively.

(4) The establishment, administration and use of the means of the Insurance Guarantee Fund shall be carried out according to the legislation on the Insurance Guarantee Fund.

(5) The branch of the insurer from a third country established on the territory of the Republic of Moldova participates in the formation of the means of the Insurance Guarantee Fund.

Section 9
Conditions of insurance and/or reinsurance contracts

Article 87. Conditions of direct insurance and insurance premiums

(1) Direct insurance contracts are concluded in compliance with applicable national law. Insurance undertakings offer and conclude insurance contracts in accordance with the provisions of the Civil Code, this law, the legislation on compulsory insurance and subsidized insurance and the regulatory acts of the National Commission for Financial Markets.

(2) Residents of the Republic of Moldova, within the meaning of Law No 62/2008 on foreign exchange regulation, may conclude insurance contracts only with insurance undertakings registered in the Republic of Moldova or with branches of third country undertakings registered in the Republic of Moldova, unless the required insurances are not practiced on the domestic market and in cases provided in the international treaties to which the Republic of Moldova is a party.

(3) The insurance undertaking shall submit to the National Commission for Financial Markets, within 30 days from the date of approval or amendment, in accordance with the provisions of this law and the regulatory acts of the National Commission for Financial Markets, the insurance conditions, the level of insurance premiums, sample contracts and insurance policies, as well as other

documents the undertaking is going to use in its dealings with contract parties or policyholders.

(4) The supervisory authority may require insurance undertakings to systematically provide the insurance conditions, as well as the technical bases used in the calculation of insurance premiums and technical provisions as a measure to monitor compliance with actuarial principles.

(5) The insurance undertaking has the obligation to pay the insurance compensation within the compulsory motor third party liability insurance. In the case of compulsory motor third party liability insurance, the insurance undertaking, as provided by law has the right to a recourse action against the person responsible for causing the damage.

(6) - repealed.

[Art.87 paragraphs (1),(4) amended, paragraph (3) in new wording, paragraph (6) repealed by Law No 174 of 11.07.2024, in force as of 02.08.2024]

[Art.87 paragraph (6) introduced by Law No 175 of 30.06.2023, in force as of 03.07.2023]

Article 88. Information of insurance contract parties

(1) Before concluding an insurance and/or reinsurance contract, insurance or reinsurance undertakings shall inform applicants, at their written request, of:

a) the name, legal form of organization, address of the head office and contact details of the branch or other subdivisions issuing the contract;

b) the law applicable to the contract;

c) the way how complaints are to be dealt with, including the right to apply to the supervisory authority, without prejudice to the right to apply to the competent courts;

d) the financial statements for the last 3 management periods;

e)a description of each contractual option and the maximum limit of liability for the insured risks;

f) duration of the contract;

g) the amount of the premium for each contract, the regime and the terms of payment of this premium;

h) general information on the tax regime applicable to each type of contract concluded;

i) specific information for a proper understanding of the risks included in the contract.

(2) When insurance or reinsurance undertakings have branches in third countries and conclude contracts in their territory, the undertakings shall communicate to the applicants and include in the issued documents, including in the insurance or reinsurance offer, the name and address of the claims settlement representatives in the Republic of Moldova or in third countries where the insurance or reinsurance undertaking has branches.

(3) Throughout the contract, the insurance or reinsurance undertaking shall notify the contract party of any changes to the following information:

a) optional terms of the contract;

b) the date of entry into force and validity of the contract, including the modalities of its termination;

c) the modalities and terms of payment of insurance and/or reinsurance premiums;

d) elements for calculating insurance compensations and/or indemnities;

e) the method of payment of compensations and/or insurance indemnities;

f)the law governing the contract.

(4) The information provided by this article shall be written in Romanian, with clarity and accuracy, and conveyed to applicants or contract parties or shall be written in a language of international circulation, if the parties agree on it, and conveyed to them.

[Art. 88 paragraph (1) amended by Law No 189 of 10.07.2025, in force as of 26.10.2025]

Article 89. Consumer protection

(1) For the consumer protection and the quality of the insurance or reinsurance services, the insurance or reinsurance undertaking is obliged, as are insurance intermediaries:

a) to carry out their activities with professionalism, showing attention and devotion towards the contract parties, the policyholders, the reinsured, the beneficiaries of the insurance and the injured third parties;

b) to act honestly and to respect the rights and interests of contract parties, policyholders, reinsurers, beneficiaries of insurance and injured third parties arising from insurance and/or reinsurance contracts;

c) keep the confidentiality of the information of contract parties, policyholders, reinsured persons, beneficiaries of insurance and injured third parties, which has been accumulated in the insurance or reinsurance process, with the exceptions established by law;

d) to provide consumers with information regarding the products, the general and special conditions of the insurance and/or reinsurance contracts, the benefits resulting from these contracts, the insurance rates and premiums they are to pay, under the conditions of art. 87, 88 and 106;

e) to pay all compensations and/or insurance indemnities within the terms established by law or contract;

f) not to provide information and not to express opinions that would misinform or mislead the consumer.

[Art. 89 paragraph (2) repealed by Law No 189 of 10.07.2025, in force as of 26.10.2025]

(2^1) Any proposed contract must meet the consumer's insurance requirements and needs, within the limits of the insurance conditions.

(2^2) Where insurance is offered together with an auxiliary service or product that is not insurance, as part of a package or under the same contract, the insurance intermediary shall inform the consumer whether it is possible to purchase the different components separately and, if so, provide an adequate description of each component of the contract or package, as well as a separate list of costs and expenses for each component.

(2^3) In cases referred to in paragraph (2^2) and where the risks or insurance cover resulting from such a contract or package offered to a consumer are different from those associated with the components taken separately, the insurance intermediary shall provide an adequate description of each component of the contract or package and how their interaction changes the risk or insurance coverage.

(2^4) Where an insurance product is auxiliary to a non-insurable good or service, as part of a package or the same contract, the insurance intermediary shall offer the consumer the possibility to purchase the good or service separately.

(2^5) All information relating to insurance products, including advertising addressed to consumers by the insurance undertaking or insurance intermediary, must be fair, clear, and not misleading. At the same time, advertising of the products concerned must be clearly identifiable.

(3) The National Commission for Financial Markets is the public authority that coordinates, at the national level, the enforcement of consumer protection legislation in the insurance sector and has the following main responsibilities:

a) develops and approves methodologies, instructions, guidelines, methodical recommendations on the application of the regulatory framework on consumer protection in the insurance market, endorsed by the supervisory authority;

b) implements and promotes strategies, action plans and recommendations in the field of consumer protection in the insurance market;

c) collects and analyses data on insurance services and their impact on consumers;

d) carries out monitoring of compliance with consumer protection legislation, including the compliance with the terms and conditions of insurance, drawn up by insurance or reinsurance undertakings and made available on the market during the distribution of insurance products;

e) supervises compliance with the management of claims in accordance with the requirements set out in the normative acts and insurance terms and conditions;

f) settles complaints, including through the use of alternative dispute resolution methods, without prejudice to the right of policyholders, insureds, injured third parties to bring claims before the competent courts, according to the law;

g) determines contraventions, examines contravention cases and imposes penalties in accordance with the provisions of the Contravention Code;

h) adopts binding decisions on enforcement for professional participants in the insurance market or the national bureau;

i) conducts inspections of the activities of professional participants in the insurance market or the national bureau on the manner in which issues raised in complaints are resolved;

j) notifies the supervisory authority in cases where sanctions are applied;

k) submits regular reports and summaries of its work in the field of consumer protection and the results of market supervision to the interested authorities;

l) performs other tasks set out in accordance with the regulatory framework.

(4) In its activity of handling and settling complaints, the National Commission for Financial Markets shall monitor the compliance with insurance legislation and contractual conditions by professional participants in the insurance market, in accordance with its responsibilities

[Art. 89, paragraphs (2^1)-(2^5) introduced, paragraphs (1) and (3) amended by Law No 189 of 10.07.2025, in force as of 26.10.2025]

[Art.89 paragraph (2) amended, paragraphs (3), (4) introduced by Law No 175 of 30.06.2023, in force as of 03.07.2023]

Article 89^1. The insurance product information document

(1) Before concluding the insurance contract, the insurance undertaking or insurance intermediary shall:

a) assesses consumer requirements and needs based on information obtained from them, so that the proposed contracts correspond to the interests, needs, and specific situation of each consumer;

b) provide consumers with objective information on the proposed insurance product, presented in an easily understandable form, to enable them to make an informed decision;

c) adapts the obligations referred to in paragraphs a) and b) to the complexity of the insurance product offered and the needs of the consumer.

(2) The information referred to in paragraph (1) shall be provided using an insurance product information document, either in paper form or on another durable medium. The format of the insurance product information document, the method of its provision, and the conditions for informing the consumer shall be governed by the normative act of the National Commission for Financial Markets.

(3) The insurance product information document shall be prepared by the developer of the relevant product, which falls under the insurance classes specified in Section B of the Annex.

(4) Insurance product information document:

a) is a separate document, with the information presented in a concise form;

b) it contains information presented and arranged on the page in a way that ensures clarity and ease of reading, with characters of a legible size;

c) it remains no less intelligible if the original color document is printed or photocopied in black and white;

d) it is written in Romanian or, based on an agreement between the consumer and the insurance undertaking or insurance intermediary, in another language;

e) it is written in a clear and unambiguous manner;

f) contains, at the top of the first page, the title "Insurance Product Information Document";

g) include a statement confirming that complete pre-contractual and contractual information is provided in other documents.

(5) The insurance product information document contains information on:

a) the type of insurance;

b) insurance coverage, main risks covered, sum insured and, where applicable, geographical coverage and excluded risks, presented in summary format;

c) methods of payment of insurance premiums and frequency of payments;

d) main exclusions for which no compensation or insurance indemnities are paid;

e) obligations at the beginning of the contract;

f) obligations during the term of the contract;

g) obligations in the event of a claim for damages;

h) the insurance period, including its start and end dates;

i) the procedure for contract termination."

[Art. 89^1 introduced by Law No 189 of 10.07.2025, in force as of 26.10.2025]

Article 90. Examination of complaints

Insurance or reinsurance undertaking, as well as insurance intermediaries, shall be required to receive and register complaints from policyholders, insured persons, reinsured persons, beneficiaries of insurance, injured third parties, and other persons whose rights may be affected, and to take all necessary measures to respond to complaints, under the conditions provided for by Law No 192/1998 on the National Commission for Financial Markets.

[Art. 90 amended by Law No 189 of 10.07.2025, in force as of 26.10.2025]
[Art. 90 paragraphs (2) and (3) amended by Law No 175 of 30.06.2023, in force as of 03.07.2023]

Article 91. Obligation to maintain the contract

No deed of the insurance or reinsurance undertaking which is in breach of any provision of this law or of the regulations of the supervisory authority, of the amount of the insurance and/or reinsurance premiums, and of any other regulations concerning the conclusion of the insurance contract and/or reinsurance, cannot be invoked by this for the cancellation of the insurance and/or reinsurance contract.

Section 10
Provisions specific to non-life and life insurance

Article 92. Insurance conditions

(1) Insurance or reinsurance undertakings must comply with specific prudential rules according to insurance practices for voluntary (optional) insurance, providing:

a) own insurance conditions, in compliance with the legal provisions regarding the insurance contract;

b) insurance clauses, negotiable, depending on its own choice or that of the contract party, the policyholder;

c) own criteria for establishing insurance premiums;

d) own regulations and instructions for ascertaining and settling claims, strictly according to the provisions contained in the insurance conditions and insurance clauses;

e) the internal regulations regarding the establishment and maintenance of technical provisions, in compliance with the normative acts of the supervisory authority;

f) the type of reinsurance contracts they intend to conclude with the ceding undertakings;

g) type of reinsurance contracts related to their portfolio of risks.

(2) The supervisory authority and the National Commission for Financial Markets have the right to require the insurers or reinsurers to provide the conditions of insurance, insurance and/or reinsurance contracts or the sample forms used in relation to the contract parties, policyholders or reinsured, as a measure to monitor compliance with their regulatory acts.

[Art.92 paragraph (2) amended by Law No 175 of 30.06.2023, in force as of 03.07.2023]

Article 93. Co-insurance

(1) An insurance undertaking can co-insure the risks of all insurance classes for which it holds a license.

(2) Co-insurance operations cover risks provided that:

a) the risks are covered by a single contract, for a total premium and for the same period, concluded with at least 2 insurers, as co-insurers, one of which is considered the leading co-insurer;

b) the leading co-insurer is treated as if it fully covered those risks;

c) the leading co-insurer sets the terms, conditions and insurance rates for the contract.

(3) Insurers that are part of a co-insurance contract have the obligation to set up and maintain technical provisions at the level of the underwritten part of the insured risk according to the legislation.

(4) The co-insurers keep track of the statistical data on the extent and importance of the co-insurance operations in which they participate.

(5) When insurers participating in a co-insurance contract get into winding-up process, the obligations arising from that contract shall be fulfilled in the same way as the obligations under the other insurance contracts are fulfilled.

Article 94. Assistance services

(1) The insurance or reinsurance undertaking has the right to provide assistance under the

contract of cooperation between insurers or reinsurers or between insurers or reinsurers and legal persons providing such services.

(2) If an insurance or reinsurance undertaking systematically provides assistance to persons in difficulty, it shall assign the brought-up activities to only the 18th class of Section B of the Annex.

Article 95. Provisions specific to life insurance

(1) The insurance undertaking determines the level of premiums for new products based on reasonable actuarial assumptions, so that these premiums are sufficient to cover obligations and to build up technical provisions, including mathematical ones.

(2) The rules governing the conclusion of the life insurance contract are laid down by law.

(3) The insurance undertaking operating in the "life insurance" category is obliged:

a) to carry out an annual review of the activity in the category of "life insurance", including the calculation, according to the fundamental and generally accepted principles of actuarial calculation, of the obligations related to life insurance and the required mathematical provisions, as well as estimating the concordance between the technical, mathematical provisions and eligible assets;

b) to carry out the examination of the activity in the category of "life insurance" for any period, at the request of the supervisory authority, according to the conditions established in letter a);

c) to provide documents and/or information and additional details, in the form that the supervisory authority deems necessary, for the assessment of its assets and financial position after the submission of the specialized report to the supervisory authority.

(4) Assets admitted covering technical provisions including mathematical provisions for life insurance will be used only to cover the obligations related to this category of insurance. It is forbidden to encumber such assets as collateral or mortgage.

(5) The insurer, with the prior approval of the supervisory authority, may replace, at a market price, some assets covering life insurance provisions with other assets belonging to it, as well as use life insurance provisions assets for purposes other than those provided in par. (4) if it confirms in writing to the supervisory authority that the value of the assets used exceeds the total value of the life insurance obligations.

Section 11
Specific provisions for reinsurance

Article 96. Reinsurance activity

(1) The reinsurance activity complements the insurance activity by ceding and receiving risks on the internal and external insurance market.

(2) In reinsurance operations, the relationship between the insurer (cedant) and the reinsurer (assignee), the rights and obligations of each party shall be established by the reinsurance contract.

(3) Reinsurance is classified as proportional reinsurance and disproportionate reinsurance. The reinsurer holding a reinsurance license may engage in both proportional reinsurance and non-proportional reinsurance activity under the categories "non-life insurance" or "life insurance".

(4) The insurer (cedant) that conveys the risk in reinsurance is fully liable to the insured.

(5) The insurer (cedant) has the obligation to communicate to the reinsurer (assignee) all changes in the insurance contract concluded with the insured.

(6) The insurer shall be required to adopt a reinsurance requirements program for each financial year according to the requirements of the reinsurance program and the rules on reinsurance contracting established by the regulations of the supervisory authority.

(7) Conditions for setting up the insurer, licensing and cessation of activity provided by this law are also applicable to the reinsurer.

(8) The ceding by the resident insurer or reinsurer of the Republic of Moldova of the reinsurance risks outside its territory may be carried out directly to a non-resident reinsurer of the Republic of Moldova if he is an authorized and supervised reinsurer in his state of residence. The ceding by the resident insurer or reinsurer of the Republic of Moldova of the reinsurance risks to the mentioned non-resident reinsurer of the Republic of Moldova may be performed through the non-resident or resident reinsurance broker of the Republic of Moldova. The final reinsurer will have a credit rating for long-term foreign currency loans, not lower than BBB+, according to the rating agencies of Standard & Poor's, Fitch-IBCA, AM BEST or Moody's. The solvency ratios will be used for reinsurers without assessment, which are authorized in the states covered by the EU Solvency II regime in an EU Member State or an OECD Member State. In this case, the solvency ratio of the reinsurer must be not less than 120%.

(9) The maximum limit of the insurer's or reinsurer's liability for a single risk insured or taken over in reinsurance may not exceed 10% of the value of equity according to the latest accounting data.

(10) The insurer or reinsurer has the right to insure or reinsure a single risk exceeding the limit established in par. (9) provided that the excess part of the insured single risk is conveyed to reinsurance.

(11) The insurer or reinsurer will retain some of the risk in its own holding.

(12) The level of own retention will be established annually by the insurer and will be subject to approval by the supervisory authority according to its normative act.

(13) By derogation from par. (12), the insurer may reinsure in the Republic of Moldova and/or in third countries the full amount of the risk of natural disasters (hail, frost and other natural hazards and/or disasters, including earthquakes, floods, droughts) related to property insurance, as well as the risk of insuring financial losses caused by adverse weather conditions.

Section 12
Simultaneous development of the activity in the " non-life insurance" and " life insurance" categories

Article 97. Specific regulations

(1) Insurance companies are allowed to hold licenses to operate in the "life insurance" and "non-life insurance" categories at the same time.

(2) Composite insurers shall simultaneously carry on business in the general insurance and life insurance categories under the conditions set out in Article 98.
[Art.97 in the wording of Law No 259 of 21.11.2024, in force as of 26.11.2024]

Article 98. Separate management of businesses in the categories "life insurance" and "non-life insurance"

(1) Simultaneous business in the categories of "life insurance" and "non-life insurance" may be carried out only under the conditions of separation of these two businesses according to this law and the regulatory acts of the supervisory authority.

(2) Simultaneous businesses in the "life insurance" and "non-life insurance" categories will be managed separately under the following conditions:

a) the interests of the holders of life and non-life insurance policies, respectively, should not be prejudiced in any way and, particularly the profits made in one of the two businesses should not be used for the benefit of the other business, as an exception being the extraordinary cases which are subject to prior approval of the supervisory authority;

b) the minimum capital requirements to be met for each individual insurance category, based on separate accounts;

c) the solvency ratio requirements, established according to this law and the regulatory acts of the supervisory authority for each of the two businesses to be calculated independently, without transfer of assets from one business to another;

d) the obligations related to one of "life insurance" or "non-life insurance" business are not to be carried by the other business.

(3) If, in compliance with the provisions of par. (2) letter c), it results that there are still assets available for one of the two businesses highlighted separately, these available own assets can be used for the other activity, but only with the prior approval of the supervisory authority.

(4) The bookkeeping of insurers with simultaneous business in the "life insurance" and "non-life insurance" categories must be organized in such a way that the records are stemming from the sources of results for each of the two activities. For this purpose, all revenue (particularly premiums received, payments from reinsurers and income from investments) and all expenditure (particularly payment of compensations, additional amounts for technical provisions, including mathematical provisions, reinsurance premiums, operating expenses for the business respectively) must be reflected according to their origin.

(5) The joint costs of the two businesses shall be recorded separately for each activity according to the allocation method approved by the supervisory authority.

(6) If one of the two requirements of the supplemented solvency ratio with the additional safety margin of 10% is not complied with, the supervisory authority will apply, in relation to the activity in which there are deficiencies, remedial measures according to the law, regardless of the results of the other activity.

(7) Insurers operating simultaneously in the "life insurance" and "non-life insurance" categories are required to:

a) keep a special register of assets for each of the two businesses;

b) submit to the supervisory authority all documents and/or information, reports, the form,

content, details and certifications of which are established for each business by the supervisory authority;

c) submit to the supervisory authority, separately for each of the two activities, within 4 months of the end of the management period, the financial statements and auditor's report.

Chapter III
SUPERVISION AND SOLVENCY AT GROUP LEVEL

Article 99. Group supervision

(1) Group-level supervision applies to:

a) participating insurance or reinsurance undertakings which have holdings in at least one insurance or reinsurance undertaking in the Republic of Moldova or in a third country;

b) insurance or reinsurance undertakings whose parent companies are insurance holding companies, mixed insurance holding companies or mixed financial holding companies.

(2) The task of the group supervisor shall lie with the supervisory authority in the following situations:

a) all the insurance or reinsurance undertakings of the group are subject to the supervision of the supervisory authority;

b) the insurance or reinsurance undertaking licensed by the supervisory authority leads a group;

c) the parent company of the insurance or reinsurance undertaking licensed by the supervisory authority is an insurance holding company, a mixed insurance holding company or a mixed financial holding company headquartered in the Republic of Moldova;

d) the insurance or reinsurance undertaking belonging to a group, licensed by the supervisory authority, shall record the largest balance sheet total.

(3) An insurance or reinsurance undertaking subject to group supervision shall submit to the supervisory authority the consolidated financial statements, prepared according to the provisions of the legislation in the field of accounting and international financial reporting standards, as well as the data and information necessary for the performance of group supervision.

(4) The insurance or reinsurance undertaking, the insurance holding company, the mixed insurance holding company and the mixed financial holding company shall provide each other with all the information necessary for carrying out group supervision.

(5) If an insurance holding company, a mixed insurance holding company or a mixed financial holding company does not provide the information according to para. (4) to an insurance or reinsurance undertaking, it shall immediately inform the supervisory authority.

(6) If the insurance or reinsurance undertaking is part of a financial conglomerate within the meaning of Law No 250/2017 on the additional supervision of banks, insurers or reinsurers and investment firms belonging to a financial conglomerate, its supervision is carried out according to the provisions of the nominated law.

(7) If the participating insurance or reinsurance undertaking or one of the holding companies according to para. (1), letter b) is a branch of another insurance or reinsurance undertaking or another holding company, group supervision applies only at the level of the last parent company or last holding company.

(8) When changes are made within the group, the insurance or reinsurance undertaking shall immediately inform the supervisory authority, and if such changes lead to a change in the group supervisor, the supervisory authority shall disseminate the group information to the other supervisors involved.

Article 100. Supervision of solvency at the group level

(1) The participating insurance or reinsurance undertaking or the insurance or reinsurance undertaking in a group shall be required to ensure that the group has at all times its own funds at least equal to the minimum capital requirement of the group calculated according to the applicable law in the State of the supervisor group.

(2) When the requirements regarding the own funds of the group and the requirement of the solvency rate (in the Solvency II regime) at group level are not met as provided in par. (1) of this chapter, the provisions of section 7 of chapter II shall apply.

(3) Participating insurance or reinsurance undertakings or the insurance holding company, the mixed insurance holding company or the mixed financial holding company shall calculate and provide to the supervisory authority, at least annually, information on the solvency ratio requirement and own funds at group level. The methods for calculating solvency at group level, their choice and application shall be established by the regulatory acts of the supervisory authority.

(4) Participating insurance or reinsurance undertakings or the insurance holding company, the mixed insurance holding company or the mixed financial holding company shall publish annually the group solvency report and the group financial statement.

Article 101. Supervision of risk concentration and intra-group transactions

(1) Insurance or reinsurance undertakings shall provide, at least annually, reports to the supervisory authority on:

a) significant concentration of risks at group level;

b) significant intra-group transactions, including those carried out with a natural person who has close links with any company within the group.

(2) The definition and identification of the significant concentration of risks, the types of intra-group transactions, the form and content of the reports are established by the regulatory acts of the supervisory authority.

Article 102. Supervision of the governance system

(1) The governance system at group level corresponds to the requirements provided in art. 34.

(2) Without prejudice to para. (1) of this Article, the internal control of a group shall include at least the following:

a) appropriate mechanisms for identifying and measuring all significant risks;

b) reporting and accounting procedures;

c) monitoring and managing intra-group transactions and risk concentration.

(3) The insurance or reinsurance undertaking will carry out its own risk and solvency

assessment at group level.

Article 103. Coordination of supervisory activities

As a group supervisor the supervisory authority shall perform, directly and/or through the conclusion of collaboration agreements, the following tasks:

a) coordinates the collection and provision of information relevant to the task of supervision or meaningful in regular and contingency situations;

b) plan and coordinate supervisory activities in regular situations, including the activities referred to in this Chapter, in cooperation with the competent authorities of third countries;

c) plans and coordinate supervisory activities, in cooperation with the competent authorities of third countries, in order to prepare for contingency situations, including adverse developments in insurance or reinsurance undertakings.

Article 104. Collaboration agreements in the field of group supervision

(1) In order to establish and facilitate effective group supervision, the supervisory authority may conclude written cooperation agreements with the competent authorities of third countries, in compliance with the provisions of this law on professional secrets.

(2) These agreements shall divide the powers of group supervision between the competent authorities of the third countries, entrust additional tasks to the group supervisor and specify procedures for decision-making and cooperation with other competent authorities in third countries in both regular and contingency situations.

(3) Through collaboration agreements, group-level supervisory powers may be delegated to another competent authority in third countries, taking into account insurance or reinsurance undertakings and the relative importance of their activities within the group in the third country.

(4) The cooperation agreements shall include provisions on the means of exercising group supervision of insurance or reinsurance undertakings established in the Republic of Moldova whose parent companies are established in a third country and of insurance or reinsurance undertakings established in third countries whose parent companies or insurance or reinsurance undertakings are established in the Republic of Moldova.

(5) The agreements shall particularly ensure that the competent authorities of the third States, which are parties to the Agreement, may obtain the information from the consolidated financial statements necessary to supervise insurance or reinsurance undertakings, which have branches in the States participating in the Agreement or hold participations in such entities.

(6) Within the cooperation arrangements in the field of group supervision, the supervisory authority shall, jointly with the competent authority of the third country, provide for the following:

a) establishment of the adequacy of the level of own funds at group level in terms of financial position and risk profile;

b) liquidity supervision measures, including the adequacy of liquidity risk prevention and treatment.

Article 105. Colleges of supervisors

(1) The supervisory authority, as the group supervisor, may establish colleges of supervisors to facilitate the performance of the tasks assigned by this Chapter and, subject to the requirements of

confidentiality, to ensure appropriate coordination and cooperation with the competent authorities of third countries.

(2) Colleges of supervisors shall provide the supervisory authority and the other competent authorities of third countries with a framework for the exercise of the following tasks:

a) the exchange of information between the competent authorities of third countries;

b) agreeing on the voluntary assignment of tasks and the voluntary delegation of responsibilities, as appropriate;

c) establishing prudential supervision programs based on group risks assessment;

d) increase the efficiency of supervision by eliminating unnecessary overlapping of supervisory requirements, including with regard to requests for information and contingency situations;

e) the uniform application of prudential requirements at group level to all entities within the group, without prejudice to the rights provided in third countries legislation.

(3) The establishment and functioning of the colleges of supervisors does not prejudice the rights and responsibilities of the supervisory authority, provided by this law and its normative acts.

Chapter IV
INSURANCE AND/OR REINSURANCE INTERMEDIARIES

Section 1
The activity of insurance and/or reinsurance intermediaries

Article 106. Insurance and/or reinsurance intermediaries

(1) Under the terms of this law, insurance intermediaries are insurance agents, bancassurance agents and insurance brokers, and reinsurance intermediaries are reinsurance brokers.

(2) Activities performed by an insurer or a reinsurer or an employee thereof, such as: the occasional provision of information whose purpose is not to provide assistance to customers in concluding or administration of an insurance and/or reinsurance contract, professional management of insurer or reinsurer claims or compensation for damages and assessment of claims by an expert - are not considered insurance and/or reinsurance intermediation activities.

(3) The insurance and/or reinsurance intermediary has the obligation to make available to customers, before concluding, amending or renewing the insurance and/or reinsurance contract, at least the following information regarding:

a) name (his name);

b) headquarters (address);

c) the license they hold and/or the Register of professional participants in the insurance market in which they are listed, along with the methods by which their registration can be verified;

c^1) whether the intermediary represents the consumer or acts on behalf of and in the name of the insurance and/or reinsurance undertaking;

d) the contract concluded with the insurer, if it is an insurance agent or bancassurance agent;

e) the procedure for settlement of any disputes between him and the clients;

f) other information provided for in Article 88 paragraph (1), requested additionally at the written request of the customer.

(4) Insurance or reinsurance premiums paid by the policyholder, insured or reinsured through the insurance and/or reinsurance intermediary shall be deemed to have been transferred to the insurer

or reinsurer at the time of payment. Insurance compensations and/or indemnities paid by the insurer or reinsurer through the insurance intermediary shall be deemed to be transferred to the contract party or policyholder, to the beneficiaries of the insurance and to the injured third parties as soon as they receive them.

(5) Insurance and/or reinsurance intermediaries receive and make payments in the name or on behalf of the contract party, policyholder, reinsured, representing premiums or compensations and/or insurance indemnities through bank accounts other than the accounts through which they carry out their current activity.

(6) The financial means from the bank accounts provided in par. (5) are used exclusively for the fulfilment of obligations to insurers or reinsurers regarding the amounts received as insurance and/or reinsurance premiums or to contract parties, policyholders, reinsured, beneficiaries and injured third parties regarding the amounts received as compensations, and/or insurance indemnities.

(7) The insurer or reinsurer who has not received from the intermediary the amounts of insurance and/or reinsurance premiums may, within 30 working days from the expiry of the term of payment provided for in the mandate contract, request the court to forcibly collect the amounts due, and the supervisory authority may order the application of precautionary measures on the assets of intermediaries.

(8) In case of insolvency of the insurance and/or reinsurance intermediary, the amounts provided in par. 4. shall be transferred to separate bank accounts, used exclusively to satisfy the receivables of creditors provided in the same paragraph.

(9) The status of insurance agent or bancassurance agent is incompatible with that of insurance and/or reinsurance broker or brokerage assistant.

(10) The activity of insurance and/or reinsurance intermediation is not allowed for the conclusion on the territory of the Republic of Moldova of an insurance contract on behalf of a non-resident insurer.

(11) Insurance and/or reinsurance intermediaries are required to establish verification rules and procedures, to ensure the continuous training of their own staff and brokerage assistants, in order to prevent and fight against money laundering and terrorist financing through insurance or reinsurance activity.

[Art. 106 paragraph (3) amended by Law No 189 of 10.07.2025, in force as of 26.10.2025]

Article 107. Activity of insurance agent and bancassurance agent

(1) The insurance agent is a natural or legal person registered in the Register of Insurance Agents and Bancassurance Agents kept by the supervisory authority, who is empowered in writing (mandate contract) by an insurer to act on its behalf.

(2) The insurance agents have the valid right to carry out the activity of insurance intermediation from the moment of their registration by the supervisory authority in the Register of insurance agents and bancassurance agents.

(2^1) The fee for registration in the Register of insurance and bancassurance agents is 200 lei for individuals and 2 000 lei for legal entities and is paid to the state budget.

(3) The individual insurance agent must meet the following conditions:

a) to have professional background and/or competence, knowledge and skills in the field of insurance activity, confirmed by the certificate of qualification in the field of insurance obtained according to the normative acts of the supervisory authority;

b) to have a professional liability insurance contract in force in the amount of at least 5 million lei per claim and the total of 10 million lei per year for all claims, without any deductibles, the contract requirements being set by the supervisory authority;

c) has to be free of any criminal record;

d) to present the information regarding its activity as provided by the normative acts of the supervisory authority.

(4) The insurance agent legal entity must meet the following conditions:

a) to have the insurance intermediation the only pursued business;

b) to have a share capital, paid in cash, the value of which may not be less than 100000 lei, maintained in real estate or in the bank account whose share must not be less than 50% of the value of the share capital;

c) to have a professional liability insurance contract in force in the amount of at least 5 million lei for each claim and in the total amount of 10 million lei per year for all claims without any deductibles, the contract requirements being set by the supervisory authority;

d) has not been previously declared insolvent and is out of any reorganization, insolvency or winding-up procedure at the date of requesting the mandate contract from the insurer;

e) the founders have never been persons with management positions in an insurance intermediary declared insolvent or which is in an insolvency proceeding;

f) to include in the name the phrase "insurance agent";

g) to have associates and/or shareholders, as well as persons with management positions free of criminal record;

h) to have an administrator who meets the background and experience requirements for this position and to hold the certificate of qualification in the field of insurance obtained according to the regulatory acts of the supervisory authority;

i) to create and maintain a register of its own staff which is included in the activity of insurance intermediation, the regime, form and content of which will be established by the normative acts of the supervisory authority;

j) to carry out their activity with their own staff who meet the requirements on professional skills and who hold the certificate of qualification in the field of insurance obtained according to the normative acts of the supervisory authority;

k) to present the special financial reports as established by the normative acts of the supervisory authority.

(5)The bancassurance agent must meet the following conditions:

a) be a bank and/or a branch of a third-country bank operating on the territory of the Republic of Moldova, a savings and credit association, a non-bank credit organization, operating according to the legislation of the Republic of Moldova;

b) to have a professional liability insurance contract in force in the amount of at least 5 million lei per claim and in the total amount of 10 million lei per year for all claims without any deductibles, the contract requirements being set by the supervisory authority;

c) has not been previously declared insolvent and is out of any reorganization, insolvency or winding-up procedure at the date of requesting the mandate contract from the insurer;

d) to have staff with background and/or competence, knowledge and skills in the field of insurance intermediation activity according with the normative acts of the supervisory authority.

(6) The person responsible for the bancassurance sector must meet the conditions of background and experience required for this position and hold a certificate of qualification in the field of insurance obtained according to the regulatory acts of the supervisory authority.

(7) The supervisory authority shall keep the Register of Insurance Agents and Bancassurance Agents in electronic form, with a record of all changes made.

(8) The requirements to be met by insurance agents and bancassurance agents, the conditions and way of their registration in the Register of Insurance Agents and Bancassurance Agents, the obligations of insurers regarding the supervision of those agents, as well as other information regarding them are established by the normative acts of the supervisory authority.

(9) An insurance agent, whether a natural person or a legal entity, may only mediate the same classes of insurance for a single insurer.

(10) The founders and employees of the insurance agent may not hold simultaneously position in both insurer or reinsurer and insurance agent.

(11) If an insured has entered an insurance contract through an insurance agent or bancassurance agent, the insurer in whose name the insurance agent or bancassurance agent acts is liable to the insured for all acts or omissions of the agent.

(12) The insurance agent and the bancassurance agent are deleted from the register mentioned in par. (5) if:

a) request this in writing;

b) do not obtain the qualification certificates in the field of insurance issued according to the legal provisions;

c) does not pay the regulatory payments to the supervisory authority within the established time limits;

d) does not transfer to the insurer, within the due date provided in the mandate contract, insurance premiums collected on his behalf;

e) does not present special reports for two consecutive reporting periods, requested by the supervisory authority;

f) performs activities, through the executive body and the chief accountant, who do not comply with the requirements of this law and the normative acts of the supervisory authority;

g) do not hold the limit of the level of share capital in financial means free of obligations.

[Art.107 para.(7) amended by Law No 174 of 11.07.2024, in force as of 02.08.2024]

[Art.107 para.(2^1) introduced by Law No 214 of 20.07.2023, in force as of 03.08.2023]

Article 108. The activity of the insurance and/or reinsurance broker

(1) Any legal entity organized as a joint stock company or a limited liability company, which has a license issued under the conditions of this law and of the supervisory authority's normative acts, can act as an insurance and/or reinsurance broker.

(2) The insurance and/or reinsurance broker must meet the following conditions:

a) to comply with the requirements provided in para. (1);

b) to have a share capital, paid in cash, the value of which may not be less than 400000 lei, maintained in real estate or in the bank account whose share must not be less than 50% of the value

of the share capital;

c) to have a professional liability insurance contract in force in the amount of at least 10 million lei per claim and in the total amount of 15 million lei per year for all claims without any deductibles, the requirements of the contract being set by the supervisory authority;

d) to carry out only insurance and/or reinsurance intermediation;

e) keep and make available to the supervisory authority, upon request, the accounting documents;

f) to have persons with management positions that meet the background and experience criteria established by the normative acts of the supervisory authority, and to have the administrator and its own staff with intermediary attributions to hold the insurance qualification certificate obtained under the normative acts of the supervisory authority;

g) to establish and maintain the register of brokerage assistants, whose regime, form and content are established by the normative acts of the supervisory authority;

h) to present the special financial reports, as well as other information regarding its activity, in the way established by the normative acts of the supervisory authority;

i) has not been previously declared insolvent and is out of any reorganization, insolvency or winding-up proceedings at the time the license is applied for;

j) the founders have never been persons with management positions in an insurance and/or reinsurance intermediary declared insolvent or which is in an insolvency proceeding;

k) to have its own official website.

(3) Insurance and/or reinsurance brokers may not operate through natural or legal insurance agents or bancassurance agents, but only through their own staff or brokerage assistants.

(4) If the client considers himself prejudiced by the way the brokerage mandate is fulfilled, he has the right to request its modification by amicable agreement, and in case no agreement is reached, he has the right to revoke the mandate. In all cases, the client must justify his request, in writing, by giving at least:

a) 10 calendar days before the date of the request for amicable settlement; or

b) 30 calendar days before the date of revocation of the mandate.

(5) The own personnel of the insurance and/or reinsurance broker, whose main task is to mediate the insurance and/or reinsurance contracts, and the brokerage assistants will be registered in the register as provided in par. (2), letter g).

(6) The insurance and/or reinsurance broker or his employee may not be a significant shareholder or manager of an insurer or reinsurer, an insurance agent or a bancassurance agent. The insurer or reinsurer, the insurance agent or the bancassurance agent, as well as their employees may not hold securities, shares of an insurance and/or reinsurance broker, nor persons holding such management positions.

(7) The founders and employees of the insurance and/or reinsurance broker may not simultaneously hold positions within the insurer or reinsurer and the insurance agents.

(8) The insurer or reinsurer, as well as its employees, are prohibited from participating in or engaging in the establishment of the insurance and/or reinsurance broker.

(9) Insurance and/or reinsurance brokers, being empowered by the insurers or reinsurers, have the right to collect insurance and/or reinsurance premiums, to pay on their behalf compensations in the currency provided within the insurance and/or reinsurance contract, where applicable, in

compliance with the provisions of the legislation, to issue insurance or reinsurance documents in the name of the insurer or reinsurer, where applicable.

(10) The insurance and/or reinsurance broker has the obligation to transfer to the insurer or reinsurer the insurance and/or reinsurance premiums collected from the insured and reinsured within the due date provided in the mandate contract. The insurer or reinsurer has the obligation to transfer the remuneration of the insurance and/or reinsurance broker and the amounts due for the management/settlement of claims within the due dates provided in the mandate contract.

(11) If the insurer or reinsurer is unable to pay, the insurance and/or reinsurance broker has the obligation to inform the supervisory authority immediately.

(12) The organization of the internal control system of the insurance and/or reinsurance broker will be carried out according to the provisions of art. 40.

(13) Insurance and/or reinsurance brokers may use or invest the revenue from insurance and/or reinsurance intermediation exclusively in bank deposits, government securities and real estate intended for their own activity or location. The income from the real estate leasing activity may represent a maximum of 15% of the income related to the insurance and/or reinsurance intermediation activity.

(14) Insurance and/or reinsurance brokers may join professional and international associations in compliance with the obligations arising from their articles of statute.

[Art.108 paragraph (2) supplemented by Law No 214 of 20.07.2023, in force as of 03.08.2023]

Article 109. The activity of the brokerage assistant

(1) Any individual or legal person registered in the Register of brokerage assistants, kept by the insurance and / or reinsurance broker, submitted in electronic form to the supervisory authority can act as brokerage assistant from the date of registration in the Register of brokerage assistants.

(2) The right to carry out the activity as a brokerage assistant appears from the moment of registration in the Register of brokerage assistants by the insurance and / or reinsurance broker.

(3) The brokerage assistant legal entity must meet the following conditions:

a) to carry out activities for which the need arises to complete the good or service with insurance products;

b) not to carry out as main professional activity the intermediation in insurance and / or in reinsurance;

c) the respective insurance products do not cover liability risks, unless such coverage is complementary to the good or service which the assistant provides as part of his principal professional activity;

d) has not previously been declared insolvent and is not the subject of a reorganization, insolvency or liquidation procedure at the date of requesting the mandate from the broker;

e) the founders were not managing persons in an insurance and / or reinsurance intermediary declared insolvent or in insolvency proceedings;

f) to carry out its activity with its own staff who will participate in at least 20 academic hours per year, organized by the insurer, for the purpose of training, with the issuance of the respective confirmation;

g) to hold a mandate contract with only one insurance and / or reinsurance broker and to carry

out exclusively insurance intermediation activities.

(4) The position of brokerage assistant is not compatible with that of the founder of insurers or reinsurers, of insurance and / or reinsurance intermediaries, as well as with their own staff.

(5) The insurance and / or reinsurance broker who has not collected from the brokerage assistant the amounts as insurance premiums within 30 working days from the due date provided in the mandate contract may request the court to forcibly collect the amounts due.

(6) The brokerage assistant does not have the right to carry out certain activities necessary for the fulfilment of the brokerage mandate, including to conclude insurance contracts nor on behalf of the representative with himself neither in his own name.

(7) In the case of an insurance contract concluded through a brokerage assistant, the insurance broker on whose behalf the brokerage assistant acts is liable for all acts or omissions of the brokerage assistant.

[Art. 109 paragraph (7) introduced by Law No 189 of 10.07.2025, in force as of 26.10.2025]

Section 2
Licensing of insurance and / or reinsurance broker

Article 110. Licensing of the insurance and / or reinsurance broker

(1) In order to get a license, the insurance and / or reinsurance broker shall submit to the supervisory authority an application to which he shall attach at least the following documents:

a) copy of the state registration decision of the insurance and / or reinsurance broker;

b) copy of the act of ownership or of the lease / loan agreement of the building in which the licensed activity will be carried out;

c) professional liability insurance contract;

d) bank certificate confirming the full deposit of the share capital;

e) documents confirming the correspondence of managing persons with the requirements established by the normative acts of the supervisory authority;

f) copy of the payment order regarding the payment of the fee for the license issuance / renewal.

(2) The licensing procedure and the exhaustive list of documents required for this purpose will be established in the regulatory acts of the supervisory authority. The documents for getting the license shall be submitted to the supervisory authority by the manager of the insurance and / or reinsurance broker or by the person authorized by him.

(3) The supervisory authority shall decide on the granting or refusal of the license within no more than 15 working days from the date of receipt of the complete set of documents required under para. (1) and (2).

(4) The license for insurance and / or reinsurance intermediation as an insurance and / or reinsurance broker is granted for an unlimited period.

(5) The fee for issuing the license for the business of insurance and / or reinsurance intermediation as an insurance and / or reinsurance broker is 7000 lei and is paid to the state budget.

(6) The fee for reissuing the license, for issuing a copy or duplicate of the license is 10% of the license fee and is paid to the state budget.

(7) The manner of issuing copies and duplicates, keeping the Register of licensed insurance and / or reinsurance brokers, as well as the manner of making the appropriate entries for the insurance and / or reinsurance broker are similar to those provided by this law for carrying out the activity of the insurer or reinsurer.

(8) The provisions of art. 9–13, where applicable, also apply to the activity of the insurance and / or reinsurance broker.

[Art.110 paragraph (5) amended, paragraph (6) in new wording according to Law No 214 of 20.07.2023, in force as of 03.08.2023]

Article 111. Suspension and withdrawal of the insurance and / or reinsurance broker's license

(1) The reasons for the suspension of the insurance and / or reinsurance broker's license are:

a) the request for voluntary suspension of the license, submitted by the manager of the insurance and / or reinsurance broker, to which the decision of the competent authority is attached;

b) failure to pay, within the set deadlines, the regulatory fees to the supervisory authority;

c) failure to transfer to the insurer or reinsurer, within the due date provided for in the mandate contract, of the insurance and / or reinsurance premiums collected on its behalf;

d) failure to submit specialized reports for 2 consecutive reporting periods, as requested by the supervisory authority;

e) the transfer of the insurance and / or reinsurance premium to the insurer or reinsurer in an incomplete amount;

f) providing the activity through brokerage assistants who do not meet the requirements of this law;

g) failure to hold the level of share capital in debt-free financial resources;

h) providing of insurance and / or reinsurance intermediation services by its own staff which does not meet the qualification requirements;

i) failure to remove, within the prescribed period, all the circumstances which led to the suspension of the license.

(2) The supervisory authority shall take the decision to terminate the suspension of the license on the basis of a request from the manager of the insurance and / or reinsurance broker and / or supporting documents confirming the removal of the circumstances that served as the basis for the suspension of the license.

(3) The period of suspension of the license may not exceed 6 months.

(4) The reasons for withdrawal of the insurance and / or reinsurance broker's license are:

a) the request of the manager of the insurance and / or reinsurance broker regarding the voluntary withdrawal of the license, to which the decision of the competent authority is attached;

b) the decision of the court on the cancellation of the state registration of the insurance and / or reinsurance broker;

c) the detection of inauthentic data in the documents submitted by the insurance and / or reinsurance broker to the supervisory authority;

d) establishing that the license or copy thereof has been transmitted to another person for the purpose of carrying out the activity of the insurance and / or reinsurance broker;

e) non-compliance by the insurance and / or reinsurance broker with 2 prescriptions regarding

the liquidation of the same violations;

f) violation by the insurance and / or reinsurance broker of the provisions of art. 108 para. (3) and / or para. (7);

g) the insurance and / or reinsurance broker has not been active for more than one year from the date of license issuing or has not been active for more than 12 consecutive months;

h) the court has issued a decision to initiate insolvency proceedings or to terminate the activity of the insurance and / or reinsurance broker;

i) breach by the insurance and / or reinsurance broker of the share capital requirement;

j) the non-compliance of the insurance and / or reinsurance broker with the mandatory conditions established in art. 108 para. (2).

(5) The statement of the date and number of the decision on suspension / withdrawal of the license shall be included in the Register of licensed insurance and / or reinsurance brokers no later than the first working day following the date of the decision approval.

(6) In case of suspension / withdrawal of the license, the fee for license issuing / re-issuing shall not be refunded.

(7) The insurance and / or reinsurance broker has the obligation, within 2 working days from the date of communication of the decision regarding the withdrawal of the license, to submit the withdrawn license to the supervisory authority.

Article 112. Name of the insurance and / or reinsurance broker

(1) The name of the insurance and / or reinsurance broker must contain one of the following words: "insurance broker", "insurance and / or reinsurance broker" or "reinsurance broker", where applicable.

(2) It is not allowed to use on behalf of the insurance and / or reinsurance broker the insignia identical or similar to those in the names of the brokers previously established if the name of the former can be confused with these names.

Article 113. Responsibilities of the insurance and / or reinsurance broker

(1) In his insurance and / or reinsurance intermediation activity, the insurance and / or reinsurance broker represents the interests of the insured and / or reinsured. Prior to the conclusion of the insurance and / or reinsurance contract, the insurance and / or reinsurance broker offers explanations and recommendations regarding the conditions, terms, limits or exceptions of the contract and the insurance and / or reinsurance premium.

(2) The insurance and / or reinsurance broker mediates the conclusion of the insurance and / or reinsurance contract only with the insurer or reinsurer licensed in accordance with this law.

(3) The insurance and / or reinsurance broker shall inform the insurer or reinsurer of the insured's and / or reinsured's proposals regarding the insurance and / or reinsurance contract.

(4) The insurance and / or reinsurance broker is liable to the insured and / or reinsured for the losses incurred by him if the losses were caused by negligence and misinformation or by other omissions of his own towards the insured and / or reinsured.

(5) The supervisory authority, pursuant to this law, will elaborate normative acts regarding other responsibilities and obligations of the insurance and / or reinsurance broker, the reporting system and information confidentiality.
[Art.113 paragraph (5) amended by Law No 175 of 30.06.2023, in force as of 03.07.2023]

Chapter V
PRUDENTIAL SUPERVISION

Article 114. General principles regarding the supervision process

(1) The main objective of supervision is to protect the rights and interests of policyholders, insured, reinsured, beneficiaries of insurance and third parties affected by insurance and / or reinsurance contracts and to ensure the stability of the insurance system in the Republic of Moldova.

(2) Supervision is based on a prospective risk-based approach and includes continuous verification of the conduct of insurance or reinsurance business and compliance by insurance market participants with supervisory provisions and legislation.

(3) In exercising its powers under this Law, the supervisory authority shall collect and process any relevant data and information, including personal data, necessary to assess the compliance of insurance market participants with the provisions of this Act and other regulations, and, if this is the competent authority responsible for group supervision, with the prudential requirements provided by this law and by the normative acts issued for its application.

(4) The supervisory authority shall carry out its tasks in a transparent and responsible manner, respecting the principle of confidential information protection.

(5) In order to carry out its supervisory duties, the Service of Anti-Money Laundering shall provide the necessary support to the supervisory authority, at its request, in accordance with the legislation on preventing and combating money laundering and terrorism financing.

Article 115. Competence and powers of the supervisory authority

(1) The supervisory authority is competent and responsible for the regulation, authorization and supervision, including at group level, of professional participants of the insurance market, branches of insurance or reinsurance undertakings in third countries (in respect of operations carried out in the territory of the Republic of Moldova), as well as of the national bureau.

(2) The activity of the national bureau shall be subject to supervision by the supervisory authority under the conditions laid down by the legislation on compulsory civil liability insurance for damage caused by motor vehicles.

(3) During the supervision, the supervisory authority shall request from the professional participants of the insurance market any documents and / or information for the efficient fulfilment of the duties conferred by law.

(4) The supervisory authority has the right to request the submission of reports and information from:
a) persons or entities which have close links with the insurance or reinsurance undertaking and with the branch of the insurance or reinsurance undertaking in a third country;

b) entities to which operational functions or activities related to the insurance or reinsurance business have been outsourced;

c) the undertaking to which the insurance or reinsurance undertaking, the branch of the insurance or reinsurance undertaking of a non-member country has transferred part or all of the underwritten risks;

d) holders of qualifying holdings in the insurance or reinsurance undertaking and, in the insurance, or reinsurance undertaking in a third country which has a branch in the Republic of Moldova.

(5) In order to exercise inspection functions and ensure an effective supervision, including at group level, professional market participants, public administration authorities, organizations and undertakings are required to submit to the supervisory authority any documents and / or information required for the enforcement of this law.

(6) If the supervision of a person or entity referred to in para. (4) is the responsibility of another authority, the supervisory authority verifies the operations of this person or entity in cooperation with the respective competent authority, according to the procedure provided by this law.

(7) The supervisory authority has the right, after informing the competent authority of the host state, to carry out on-site inspection of the activity of the branch of the insurance or reinsurance undertaking registered in the Republic of Moldova, which operates in the third country.

(8) The supervisory authority shall authorise insurance or reinsurance undertakings to outsource functions and activities related to information and communication technology, including subcontracting outsourced activities (chain outsourcing), in accordance with the requirements set out in its normative acts. The authorisation shall also cover changes to outsourcing contracts.

(9) The supervisory authority may apply macroprudential tools to prevent and reduce identified systemic risk.

[Art. 115 paragraph (8) amended by Law No 189 of 10.07.2025, in force as of 26.10.2025]

[Art.115 paragraph (9) introduced by Law No 174 of 11.07.2024, in force as of 02.08.2024]

Article 116. Supervisory measures and methods

(1) The supervisory authority shall have the power to take any necessary supervisory measures in respect of insurance or reinsurance undertakings, branches of third-country insurance or reinsurance undertakings and / or, where applicable, insurance and / or reinsurance intermediaries, as well as the members of the management bodies and the persons holding their key positions, including:

a) to make recommendations and warnings;

b) to issue prescriptions for the removal of violations;

c) to take additional measures to implement risk management;

d) to suspend any transactions with the assets of the insurer or reinsurer admitted to cover the minimum capital requirement and / or the obligations related to insurance and / or reinsurance contracts;

e) to prescribe an increase of the share capital in order to ensure the financial stability of the insurance or reinsurance undertaking and the branches of the insurance or reinsurance undertaking in non-member countries;

f) to establish special administration;

g) to recover / remedy the financial situation;

h) to implement resolution measures;

i) to apply sanctions;
j) to suspend or revoke the license;
k) to initiate liquidation proceedings;
l) to initiate insolvency proceedings;
m) to take other measures provided by this law.

(2) The supervision of insurance or reinsurance undertakings, branches of insurance or reinsurance undertakings in third countries and insurance and / or reinsurance intermediaries shall be carried out by the following methods:

a) monitoring, collecting, verifying, analysing and evaluating the reports, information and notifications submitted pursuant to this law and the regulatory acts of the supervisory authority;

b) checking the operations performed in the insurance or reinsurance activity;

c) carrying out inspections on branches and subsidiaries the insurance company or reinsurance;

d) imposing of supervisory measures.

(3) The insurance or reinsurance undertaking and the branches of third-country insurance or reinsurance undertakings shall, at the request of the supervisory authority, carry out tests to assess the ability to maintain financial stability in any situation. Quantitative instruments used to assess the ability of such companies to meet solvency requirements in the event of possible future events or changes in economic conditions that could adversely affect the financial situation shall be developed in accordance with the regulations of the supervisory authority.

(4) The supervisory authority has the right to prescribe the termination of the contract outsourcing if it finds that:

a) the insurance or reinsurance undertaking does not carry out continuous and systematic control over outsourced functions or activities, nor does it manage the risks associated with them or does so in an irregular and inappropriate manner;

b) the activity of the provider of outsourced functions or activities may adversely affect the ability of the insurance or reinsurance undertaking to fulfil its obligations.

Article 117. The supervisory process

(1) The supervisory authority shall review and evaluate the strategies, processes and reporting procedures established by insurance or reinsurance undertakings to ensure compliance with the legal framework, which includes the assessment of the qualitative requirements of the governance system, the assessment of the risks faced or could face as well as assess their ability to estimate them.

(2) The supervisory authority shall review and evaluate compliance with the following items:

a) the governance system, including its own risk and solvency assessment;

b) technical provisions;

c) assets allowed to cover technical provisions;

d) minimum capital requirement;

e) the solvency of the insurance or reinsurance undertaking;

f) investment rules;

g) the quality and quantity of own funds.

(3) The supervisory authority shall regularly carry out the following activities:

a) monitor the deterioration of the financial situation of the insurance or reinsurance undertaking and monitor how that situation is remedied;

b) assess the adequacy of the methods and practices of insurance or reinsurance undertakings

designed to identify possible future events or changes in economic conditions which may adversely affect their financial position and assess the ability of companies to cope with such effects;

c) requires insurance or reinsurance undertakings to remedy any weaknesses or deficiencies identified during the supervision process.

(4) The supervisory authority oversees the outsourced functions and activities. Where the outsourcing service provider is established in a third country, the supervisory authority shall have the right to request the competent authority of the State in which the service provider is located to carry out controls at its headquarters.

(5) Without prejudice to the provisions of art. 122 para. (9) of this law, when carrying out the control, establishing the facts constituting infringements, applying the sanctions and measures provided by the present law, the provisions of art. 75^1 para. (1)-(4), (7), (8), (10)-(11) and art. 75^2 para. (3)-(6) and para. (10)-(15) of Law No 548/1995 on the National Bank of Moldova and the provisions of the normative acts of the supervisory authority, shall apply accordingly.

(6) Professional participants of the insurance market have the obligation to ensure cooperation and collaboration with the supervisory authority in order to achieve the supervisory objectives. Professional participants of the insurance market have to question any employee, provide access to all documents and other sources of information necessary for supervision. Any person who obstructs the performance of the supervision and the exercise of the supervisory authority's powers, who instigates, provokes or facilitates the obstruction of such performance, violates this law through these actions and shall be sanctioned in accordance with the provisions of the law.

(7) Public authorities exercising control over insurers or reinsurers, within the powers provided for by the legislation, shall communicate to the supervisory authority the breaches of the legislation in the field of insurance or reinsurance.

(8) Members of the management board and employees of the supervisory authority, as well as its experts, auditors, special administrators and liquidators shall not be liable for any damage, misconduct or omission in the performance of their duties unless it has been shown to be intentional and unlawful.

(9) All information, documents, inquiries, requests submitted to the supervisory authority by the professional participants on the insurance market is presented in Romanian, signed by the managing person by applying the holographic signature or the advanced qualified electronic signature.

(10) If the professional participants on the insurance market do not comply with the provisions of para. (9) and the submitted document is signed without indicating the function of the signatory, the respective document is not examined and is returned. Once all the shortcomings of the returned document have been removed, it may be repeatedly submitted to the supervisory authority.
[Art.117 paragraph (5) as amended by Law No 214 of 20.07.2023, in force as of 03.08.2023]

Article 118. Information provided for surveillance purposes

(1) Insurance or reinsurance undertakings, individually and consolidated, respectively, submit to the supervisory authority reports, data and information regarding the management system, the operations and valuation principles for solvency purposes, the risks, the risk management system and the capital structure, as well as other data for prudential purposes, under the conditions established by the regulatory acts of the supervisory authority.

(2) The supervisory authority has the right to request information from the insurance or reinsurance undertaking from auditors and other external experts.

(3) The information provided to the supervisory authority must meet the following conditions:

a) reflect the nature, extent and complexity of the activity of the insurer or reinsurer, in particular the risks associated with those activities;

b) be accessible, complete in all significant aspects, comparable and consistent over time;

c) be adequate, reliable and intelligible.

(4) Insurance or reinsurance undertakings have the obligations to have appropriate automated systems and procedures, approved by their governing body, for the fulfilment of the requirements of this Article.

Article 119. Cooperation and exchange of information

(1) In order to achieve its objectives, the supervisory authority shall cooperate and exchange information with the competent authorities of the Republic of Moldova and third countries.

(2) The authorities provided in par. (1) must be consulted particularly in the context of assessing the quality of the shareholders of insurance or reinsurance undertakings, including those of third countries, the reputation and experience of persons, which apply to or already hold management and key positions within the insurance or reinsurance undertaking. The confidentiality or professional secrets contained in the information held by the authorities as provided in par. (1) does not impede the exchange of information between the respective subjects and may be carried out only if the information to be communicated benefits from guarantees of professional secret at least equivalent to those mentioned in this law.

(3) The exchange of confidential information with the competent authorities of third countries shall be carried out remotely or according to cooperation agreements concluded between the supervisory authority and those authorities of third-countries, which contain guarantees regarding the protection of the rights on the personal data.

(4) When information obtained under this Article is to be disclosed to other authorities, including those in third countries, this may be done only with the express consent of the authority that provided the information and, where appropriate, for the purposes for which the authority has the agreement.

(5) The provisions of par. (2) – (4) shall not prevent the exchange of information between the supervisory authorities of the Republic of Moldova and other authorized persons, including:

a) National Commission for Financial Markets;

b) law enforcement agencies;

c) Office for Prevention and Fight against Money Laundering;

d) the courts;

e) Public Audit Supervision Board.

(6) The provisions of par. (5) shall apply under the observance of the following conditions:

a) the information must be intended for the exercise of supervisory and control functions;

b) the information received must be subject to the obligation regarding the professional

secrets provided by this law and other normative acts;

c) the information must be used for the purpose of detecting and investigating compliance with the law and its infringements.

(7) Personal data that are to be conveyed to a third country shall be protected according to the legislation on the protection of personal data and the provisions of this law.

(8) The cross-border transmission of personal data, which are processed or to be processed after transmission may take place in compliance with the legislation on the protection of personal data and only if the third country ensures an adequate level of protection of the rights on personal data and data that are to be conveyed.

(9) The cross-border transmission of personal data related to the process of supervising the insurance or reinsurance business takes place according to the provisions of the legislation on the protection of personal data.

[Art. 119 paragraph (5) amended by Law No 189 of 10.07.2025, in force as of 26.10.2025]

Article 120. Professional secret

(1) Members of the Management Board and employees of the Supervisory Board, as well as its experts, auditors, special administrators and liquidators are obliged to protect the confidentiality of all information obtained both during the performance of their supervisory duties and after they have ceased to hold office, are no longer employed, are no longer authorized or are not in any other legal links based on which they had access to confidential information.

(2) The persons mentioned in par. 1. are not allowed to disclose confidential information to natural or legal persons unless such information is presented in a concise or aggregated form which does not permit the recognition of the insurance or reinsurance undertaking referred to or other cases provided by the legislation.

(3) The prohibition mentioned in par. (2) does not apply in the case of:

a) verification of the fulfilment of the licensing/registration conditions in the Register of insurance agents and bancassurance agents by insurance or reinsurance undertakings or insurance and/or reinsurance intermediaries;

b) application of sanctions;

c) attacking in court the normative acts of the supervisory authority;

d) providing information for the conduct of criminal proceedings;

e) insolvency or compulsory winding-off of an insurance or reinsurance undertaking for the enforcement of creditors' debts against it.

(4) The obligation to protect confidential information shall also apply to information which the supervisory authority or the persons referred to in para. (1) hold them following the exchange of information with other competent authorities.

Article 121. Requirements to supervision authority for publication of the information

(1) The supervisory authority shall publish the following information:

a) the normative acts applicable to the insurance field;

b) the criteria, methods and tools used in the supervision process;

c) aggregate statistical data on the main aspects related to the general prudential

framework;

d) the list of persons exercising management functions in insurance or reinsurance undertakings and in branches of insurance or reinsurance undertakings in third countries.

(2) The information mentioned in par. (1) shall be published and made available on the official website of the supervisory authority and shall be regularly updated.

Article 122. Liability and sanctions

(1) Violations of the insurance market are considered: non-compliance with the provisions of this law, the legislation on compulsory motor third-party liability insurance for damage caused by vehicles, the legislation on preventing and fight against money laundering and terrorist financing, as well as other normative acts; non-compliance with the licensing conditions and the decisions issued to comply the activity; non-execution of sanctions and financial recovery measures, as well as the deeds expressly established within the contravention code and penal Code.

(2) In case of finding violations referred to in para. (1), the supervisory authority may impose the following sanctions:

1) written warning;

2) suspension or withdrawal of the qualification certificates issued by it;

3) a fine imposed on the person in a managerial or key position within the insurance or reinsurance undertaking, within the branch of the insurance or reinsurance undertaking in third countries or within the insurance and/or reinsurance intermediary, in the amount from 1 to 100 average salaries of the sanctioned individual, including all benefits (allowances, bonuses and other additions to the salary of the function), taking into account the average salary for:

a) the last 12 months worked within the supervised entity concerned, preceding the date on which the infringement was established;

b) the total period of employment within the supervised entity concerned preceding the date on which the infringement was established, if that period is less than 12 months;

c) the last 12 months worked within the supervised entity concerned, if the employment relationship was terminated before the date on which the infringement was established;

d) the total period worked within the supervised entity concerned, if that period is less than 12 months and the employment relationship was terminated before the date on which the infringement was established;

4) a fine imposed on the natural person exercising the actuarial function in the amount from 10 000 lei to 1 million lei;

5) a fine imposed on the insurance intermediary who is a natural person in the amount from 5 000 lei to 1 million lei;

6) fine imposed on the natural person, other than those referred to in points 3)-5), in the amount from 5 000 lei to 1 million lei;

7) a fine of up to 15% of the minimum capital requirement imposed on the insurance or reinsurance undertaking or branches of insurance or reinsurance undertakings in third countries according to the category of insurance or reinsurance activity in which the infringement was established;

8) a fine of up to 15% of the share capital imposed on the insurance and/or reinsurance intermediary. In the case of bancassurance agents, the fine shall be imposed up to a capital limit of 100 000 lei;

9) restrictions of operations by prohibiting the underwriting of new insurance and/or reinsurance contracts and the collection of related premiums for all insurance classes or reinsurance activities or for certain types/classes or activities;

10) a fine imposed on direct and indirect shareholders of shares in the capital of the insurance or reinsurance undertaking and/or the beneficial owner - up to 100% of their holding in the share capital of the insurance or reinsurance undertaking, calculated at nominal value;

11) a fine of up to twice the amount of the benefit obtained as a result of the infringement, if it can be determined;

12) suspension or withdrawal of the status of a person in a managerial position and holding a key position, previously approved by the supervisory authority;

13) partial or total suspension of the license;

14) suspension of the voting rights of the responsible shareholder(s);

15) prohibition of the free disposal of the assets of the insurance or reinsurance undertaking or of branches of insurance or reinsurance undertakings in third countries;

16) other sanctions provided by this law.

(3) The sanctions provided in par. (2) may be applied at the same time as the remedial and resolution measures provided by this law or independently of them.

(3^1) The sanctions referred to in para. (2) points 1), 3)–6) and 12) shall be applied to persons to whom the act may be attributed, as it would not have occurred if the persons concerned had properly exercised the responsibilities arising from their official duties, as established by legislation, normative acts issued in application of this law and the internal governance framework, or, as the case may be, persons in respect of whom the National Bank of Moldova ascertains that they do not act in accordance with the rules of prudent and sound practice and/or that they no longer meet the requirements of good repute and competence appropriate to the nature, scale and complexity of the professional participants' activity on the insurance market and the responsibilities entrusted to them.

(4) The application of sanctions and sanctioning measures according to this law does not remove the material, civil, misdemeanour or criminal liability, where appropriate.

(5) The warning provided in par. (2) letter a) includes, usually, information about the violations found, the requirement to liquidate the violations within the established period of time, as well as warning about the possibility of applying more severe sanctions and/or other measures provided by this law, in case of non-removal within the established period of time of the violations found or when they are committed repeatedly. It shall also apply to the infringement found for the first time, which does not affect the rights and interests of consumers.

(6) The warning may be applied simultaneously with other sanctions provided in par. (2) or independently thereof.

(7) The fine, applied under this article, shall be paid to the state budget.

(8) - repealed.

[Art.122 paragraph (8) repealed by Law No 214 of 20.07.2023, in force as of 03.08.2023]

(9) In determining the type of sanction and the amount of the fine, the supervisory authority shall examine all relevant circumstances of the commission of the deed, including the following, as appropriate:

a) seriousness and duration of the deed;

b) the degree of guilt of the responsible person;

c) the financial capacity of the person responsible for the infringement, as it comes out, for example, from the annual income of the natural person or from the total turnover of the legal person;

d) the importance of the profits made or losses avoided by the responsible person to the extent that they can be determined;

e) the damage caused to contract parties, policyholders, reinsurers, beneficiaries of insurance, third parties and other persons whose rights may be infringed, to the extent that they can be determined;

f) the degree of cooperation with the supervisory authority;

g) history of previous violations;

h) any possible systematic consequences of the committed deed.

(10) The suspension and withdrawal of the license, as well as the withdrawal of the authorization shall apply according to this law.

(11) Damage caused as a result of a violation of the law, which regulates activity on the insurance market, are to be repaired in the way provided by law.

(12) The Executive Board of the National Bank of Moldova shall issue the acts imposing sanctions and/or measures under this Law. The sanction referred to in para. (2) point 1) of this Article and the supervisory measures referred to in Article 116 para. (1), (a) and (b) may be applied by the Governor, First Deputy Governor, or Deputy Governors of the National Bank of Moldova.

(13) Sanctions may be applied simultaneously with or independently of the measures provided by this law.

[Art.122 paragraph (2) in new wording, paragraphs (3^1), (12), (13) introduced by Law No 214 of 20.07.2023, in force as of 03.08.2023]

Chapter VI
TRANSITIONAL AND FINAL PROVISIONS

Article 123. Transitional provisions

(1) The compliance with the minimum capital requirements of an insurance or reinsurance undertaking with the provisions of this law shall be carried out in the following periods:

a) 1 year after the date of entry into force of this law, the minimum capital requirement of the insurance or reinsurance undertaking shall be at least 20% of the provided minimum capital requirement;

b) 2 years after the date of entry into force of this law, the minimum capital requirement of the insurance or reinsurance undertaking shall be at least 40% of the provided minimum capital requirement;

c) 3 years after the date of entry into force of this law, the minimum capital requirement of the insurance or reinsurance undertaking shall be at least 60% of the provided minimum capital requirement;

d) 4 years after the date of entry into force of this law, the minimum capital requirement of the insurance or reinsurance undertaking shall be at least 80% of the provided minimum capital requirement;

e) 5 years after the date of entry into force of this law, the minimum capital requirement of the insurance or reinsurance undertaking shall be 100% of the provided minimum capital requirement.

(2) - repealed.

[Art.123 paragraph (2) repealed by Law No 175 of 30.06.2023, in force as of 03.07.2023]

(3) Compliance with the provisions of art. 60 is done in the following periods:

a) up to 1 year from the date of entry into force of this law, it is allowed to deviate by up to 20% from the restrictions on the categories of assets allowed to cover technical reserves and the minimum capital requirement;

b) up to 2 years from the date of entry into force of this law, it is allowed to deviate by up to 15% from the restrictions on the categories of assets allowed to cover technical reserves and the minimum capital requirement;

c) up to 3 years from the date of entry into force of this law, it is allowed to deviate by up to 10% from the restrictions on the categories of assets allowed to cover technical reserves and the minimum capital requirement;

d) up to 4 years from the date of entry into force of this law, it is allowed to deviate by up to 5% from the restrictions on the categories of assets allowed to cover technical reserves and the minimum capital requirement.

(4) Insurance and/or reinsurance intermediaries shall comply with the requirements for maintaining the share capital within 12 months from the date of entry into force of this law.

(5) Until 1 July 2023, the supervisory authority's powers, within the meaning of this law, shall be exercised by the National Commission for Financial Markets.

(6) The supervisory authority shall continue the special supervision established before the entry into force of this law, carried out by a designated employee of the authority, over undertakings that previously held the status of professional participant, until all payment obligations under the insurance contracts have been fulfilled. In this regard, the supervisory authority shall be entitled to:

a) review the financial situation of the undertaking at each reporting period;

b) monitor the undertaking's performance in meeting its payment obligations assumed under insurance contracts;

[Letter c) repealed by Law No 189 of 10.07.2025, in force as of 26.10.2025]

d) monitor prudential indicators approved by the normative act of the supervisory authority;

e) have access to all information, documents and records of the undertaking and to be bound to preserve the confidentiality of all information which comes to its knowledge by virtue of the exercise of its functions;

f) issue prescriptions.

(7) By derogation from the provisions of Article 82 para. (4) of this Law, the special administration exercised by a special administrator, appointed by the supervisory authority before the entry into force of this law, shall continue to be exercised by a single special administrator.
[Art.123 para.(5)-(7) introduced by Law No 332 of 08.12.2022, in force as of 01.01.2023]

Article 124. Final provisions

(1) This law shall enter into force on 1 January 2023.

(2) The Government, together with the supervisory authority, until the date of entry into force of this law, shall present to the Parliament proposals regarding the bringing of the legislation according to the present law.

(3) The supervisory authority, within 6 months from the date of entry into force of this law, shall elaborate and adopt its normative acts according to this law.

(4) The insurance or reinsurance undertakings that have a license to carry out the insurance or reinsurance business on the date of publication of this law are obliged, under the sanction of withdrawal of the license, to comply with the provisions of art. 123 para. (1).

(5) On the date of entry into force of this law, Law No 407/2006 on insurance is repealed.

(6) The normative acts issued by the supervisory authority based on the Law No 407/2006 on insurance shall continue to apply to the extent that they do not contravene this Law until the time when they are expressly repealed.

(7) Insurance or reinsurance undertakings that, at the date of entry into force of this law, are licensed to carry out the business simultaneously in the category of "non-life insurance" and/or in the category of "life insurance" will continue to carry out the business according to the regulatory acts of the supervisory authority.

Annex

Insurance classes

A. Life insurance

Types of insurance that have a contractual basis:

a) life insurance, which includes: survival life insurance, death insurance, survival and death term insurance (mixed life insurance), life insurance with premium reimbursement, marriage insurance, birth insurance;

b) annuities;

c) supplementary life insurance, which includes: accident death insurance, personal injury insurance, insurance against disease permanent work incapacity, insurance against accident permanent work incapacity, insurance against disease temporary work incapacity, insurance against accident temporary work incapacity, hospital insurance, medical expenses insurance, serious disease insurance, unemployment insurance, when they are additionally subscribed to a life insurance contract;

d) permanent health insurance.

Life insurance classes:

1. The life insurance, annuities and additional life insurance provided in this compartment at letter a) –d), except for those provided in points 2 and 3.

2. Marriage insurance, birth insurance.

3. Life insurance and annuities that are related to investment funds, provided in this section at letter a) and b).

B. Non-life insurance

Non-life insurance classes:

1. Accident insurance (including accidents at work and occupational diseases), for which:
- financial compensation;
- compensation in kind;
- mixed compensations (financial and in kind);
- compensation for personal injury suffered by persons during transportation.

2. Health insurance, for which:
- financial compensation;
- compensation in kind;
- mixed compensations (financial and in kind).

3. Land, non-rail insurance covering:
- damage to land motor vehicles;
- damage to land vehicles other than motor vehicles.

4. Railway vehicle insurance covering:
- damage to railway vehicles moving or transporting goods or persons.

5. Aircraft insurance covering:
- damage to aircraft.

6. Marine, lake and river ship insurance covering:
- damage to ships;
- damage to lake vessels;
- damage to river vessels.

7. Goods in transit insurance, covering:
- damage to goods, luggage and other goods carried.

8. Insurance against fire and other natural disasters, covering damage to property and goods other than those provided in Classes 3, 4, 5, 6 and 7, caused by:
- fire;
- explosion;
- the storm;
- other natural phenomena, besides the storm;
- nuclear energy;
- landslides.

9. Other property insurance covering:
- damage to property and goods other than those provided in Classes 3, 4, 5, 6 and 7, if such damage is caused by theft, hail or frost, other than that referred to in point 8.

10. Compulsory motor third party liability insurance, which covers:
- damage resulting from the use of motor vehicles (including liability of the carrier).

11. Aviation liability insurance, which covers:
- damage resulting from the use of aircraft (including liability of the carrier).

12. Maritime, lake and river liability insurance, which covers:
- damage resulting from the use of sea, lake and river vessels (including the liability of the carrier).

13. General liability insurance, which covers:
- damage to the damage caused to third parties, other than that referred to in points 10, 11 and 12.

14. Credit insurance, which covers the following risks:
- insolvency;
- export credit;
- sale in instalments;
- mortgage loan;
- agricultural credit.

15. Warranty insurance for:
- direct guarantees;
- indirect guarantees.

16. Financial loss insurance, which covers:
- unemployment risks;
- insufficient income;
- losses caused by adverse weather conditions;
- non-realization of benefits;
- risks related to current expenses;
- unforeseen commercial expenses;
- depreciation of the market value;
- loss of income or other similar income;
- indirect trade losses other than those mentioned above;
- non-commercial financial losses;
- other financial losses, according to the clauses of the insurance contract.

17. Legal protection insurance, which covers:

- expenses related to the judicial procedure and other expenses such as: recovery of the damage suffered by the insured in a civil or criminal procedure, defence or representation of the insured in a criminal, administrative procedure or in a claim against him.

18. Assistance insurance for persons in difficulty during travel or absence from home or place of permanent residence.

Note. Risks in one class may not be included in another class, except for ancillary risks.

C. Reinsurance
- general reinsurance activity;
- life reinsurance activity;
- any type of reinsurance activity.