

**S T A T U T E S**  
**of the Slovak Insurance Association**

*(Ratified by the Members Assembly on May 13, 2008, as the 12th amended wording)*

The Slovak Insurance Association (thereinafter „Association“) is a special-interest society of insurers and reinsurers (thereinafter „Insurers“) licensed to carry out insurance and reinsurance business in the Slovak Republic. The Association has been established pursuant § 20f of the Civil Code with the aim of organising and supporting mutual assistance, co-operation and to safeguard common interests of the Insurers. The Association is a Legal Entity as set out in the Civil Code and its full name is

## **SLOVENSKÁ ASOCIÁCIA POISŤOVNÍ**

In English language

## **SLOVAK INSURANCE ASSOCIATION**

The seat of the association is :

**Drieňová 34, P. O. Box 51**

**820 09 Bratislava 29**

## **Art. I**

### **OBJECTS OF ACTIVITIES**

1. The objects of the Association's activities are especially:
  - a) to represent, protect and promote common interests of insurers and reinsurers in relation to government authorities, other legal entities, the wide public as well as foreign countries,
  - b) to submit suggestions to legal enactments relating to the insurance business, insurance or other interests of the Insurers and to propose changes in legislation,
  - c) to represent member insurance companies in international organisations and their bodies as well as to participate in their activities,
  - d) upon the request of a court or other authority, to submit expert opinions with regard to insurance business,
  - e) to issue promotional materials, to co-operate with mass media with the aim of publicity, formation of a correct insurance market, ideas and conditions of insurance and loss prevention among the wide public (public relations),
  - f) to act in the process of elimination of conflicts between Association members, to attend to the principles of ethical behaviour set out in the Code of Ethics in Insurance Business,
  - g) to organise common meetings of insurance companies officers, insurance professionals and the theoretical front, to issue methodological recommendations,
  - h) to support and organise the creation of a unified information system in insurance business for the needs of the member insurance companies, with regard to common-interest data,
  - i) to support the development of science in respect of insurance business, to publish important information, issue professional journals and publications,
  - j) to organise and mediate education of employees and exchange of experience also with foreign countries,

- k) to act in loss prevention, especially to co-operate with authorities and organisations active in loss prevention, to support the creation of standards in this respect and, based on the decision of Association members, to collect and provide financial means for loss prevention activities,
- l) to co-operate in the creation of common funds and to otherwise concentrate financial means for the purpose of common interests of Insurers,
- m) to support international relationships, to create and co-ordinate information flows by means of supplying technical articles and background research from foreign literature and journals, as well as procure foreign lecturers for professional education of employees of insurance companies,
- n) to co-operate closely with secondary schools and universities as well as other theoretical and research organisations in the education of insurance professionals and the development of insurance theory; to support for this purpose the establishment of specialised associations of insurance experts (actuaries, insurance lawyers etc.),
- o) to grant honours to persons who have merit in the development of Slovak insurance industry,
- p) to be a partner of the Finance and Insurance Industry Trade Union, especially with regard to collective negotiations and conclusion of higher-level collective agreements, as well as defending the interests of members in organisations created by employers associations and societies.

2. The Association shall not:

- a) pursue political or religious aims,
- b) carry out any control of business activities of its members.

## **Art. II**

### **SUBJECTS OF THE ASSOCIATION**

1. A subject of the Association may be an insurance or reinsurance company (thereinafter „insurer“), as a

- a) regular member,
- b) associated member
- c) permanent associated member.

2. Regular membership in the Association may be granted to an insurer carrying out insurance or reinsurance business in the Slovak Republic which has been for at least 1 year an associated member of the Association. A regular member has the right to participate in all activities of the Association and to receive all services provided by the Association. It has a decisive vote in the proceedings Association bodies.

3. An associated membership may be granted to an insurer which has a license issued by the Supervisory Body of the Insurance Industry in the SR to carry out insurance or reinsurance business in the Slovak Republic, provided that it also is carrying out this business actively. An associated member is invited to meetings of the Assembly, but has no voting rights. It may participate in activities and common meetings organised for all insurers. The membership deposit and membership contribution of an associated member is reduced to 75% of all sums determined according Art. VI par. 6 of this Statute.

4. A permanent associated member may be also

- a) an insurer or reinsurer from another member state which is carrying out insurance and reinsurance business through its branch, without a license for insurance and reinsurance

business, based on a written consent of the respective supervisory authority of the home member state, having no duty to report business results according Art. III par. 3 a) of the Statute,

b) an insurer or reinsurer from another member state which is carrying out its business based on freedom of service, subsequently to the delivery of a notice of the respective supervisory authority of the home member state, without having the duty to report business results according Art. III par. 3 a) of the Statute,

5. A permanent associated membership in the Association may be granted to an entity which is in possession of a license to carry out insurance business in the Slovak Republic issued according other law than the Insurance Act, or other legal entity than an insurer, an association of legal entities or natural persons licensed to operate in the insurance market of the Slovak Republic.

6. A permanent associated member is the Slovak Section of the International Insurance Law Association – AIDA, which is exempted from the duty to pay a membership deposit and membership contribution; the membership fee of the International Section of AIDA is paid on its behalf by the Association.

7. A permanent associated member:

- a) is automatically invited to meetings of the Association members assembly, without voting rights,
- b) has the right to participate in events and common meetings organised for Association members,
- c) through its representatives in specialised sections of the Association, it participates actively in the work of the Association,
- d) has the duty to pay the contribution of a permanent associated member set at the sum of SKK 300 000.

## **Art. III**

### **ORIGIN OF MEMBERSHIP**

1. A membership originates following a decision of the Assembly to accept a member (pursuant Art. II, point 2 of the Statutes), on the date set down by the Assembly. The main pre-condition for the decision of the Assembly to accept a candidate as a regular member is the recommendation of the Presidium of the Association for the candidate to be accepted by the Assembly, on the basis of an examination of the pre-requisites for a membership.

2. An associated membership originates following a decision of the Presidium (pursuant Art. II, point 3 of the Statutes), on the date set down by the Presidium. The main pre-condition for the decision of the Presidium to accept an associated member is:

- a) a written application of the candidate for admission,
- b) a written commitment of the candidate to abide by the Statutes of the Association and by the decisions accepted also before the beginning of its associated membership,
- c) a short characterisation of the activities of the candidate (branches of insurance the candidate is engaged in, the territory of its operation, target group of clients, main organisation chart of the company, names of officers etc.) and its business results for the period from having been granted a license, maximum for the last 3 years.

3. a permanent associated membership originates following an Assembly decision (pursuant Art. II, point 4 to 6 of the Statutes) on the date set down by the Assembly. The main pre-requisite for the Assembly decision on the admission of a permanent associated member is:

- a) a written application of the candidate for admission stating a brief characterisation of the candidate's activities in the insurance market of the Slovak Republic,
- b) a written commitment of the candidate to abide by the Statue of the Association and by the decisions accepted also before the beginning of its associated membership,

4. The expiry of a permanent associated membership is governed by provisions of Art. V of the Association Statute.

## **Art. IV**

### **RIGHTS AND DUTIES OF MEMBERS**

1. Members of the Association have rights issuing from Art. I and II of this Statute. This includes also the right to participate in the meetings of Association bodies, participate in its administration, receive information and other services provided by the Association to its members.

2. A member of the Association is entitled to mention the Association membership in its promotional and other materials and to use the Association logo.

3. A regular member of the Association has the right that its disagreement concerning an Assembly decision is recorded and to submit a written position to a decision.

4. A fundamental duty of members is to respect the Statutes of the Association, to support its activities including regular financial contributions, to participate actively in the events and activities of the Association.

Besides this, the members are especially obliged to:

- a) abide by the Code of Ethics in Insurance Industry,

- b) provide any data and information which the Association, with the consent of the Presidium, may request,
- c) inform the Presidium in writing, without unnecessary delay, about suspension of its activities and withdrawal of license to carry out business in the insurance industry.

5. The decisions of the Assembly and of the Presidium of the Association are binding for all Association members.

## **Art. V**

### **CESSATION OF MEMBERSHIP**

1. The membership in the Association ceases by disaffiliation of the member, expulsion of the member, dissolution of the member of the Association or by dissolution of the Association.

2. Disaffiliation of a member must be notified to the Presidium by the member in writing. The membership ceases upon the lapse of 3 months following the month in which the Association received the notification. The disaffiliating member must fulfil all obligations assumed during its membership.

3. A member may be expelled due to gross breach of its duties set down in the Statutes, or due to otherwise harmful acts against the interests and aims of the Association. There is no possibility of appeal against a decision of expulsion. The membership ceases on the day set down in the Assembly decision on the expulsion of the member from the Association.

4. In case of cessation of membership due to disaffiliation, expulsion or dissolution of the Association member, the member is not entitled to a refund of fees according Art. VI, par. 1. At the same time, upon the day of disaffiliation, expulsion or dissolution the member loses all Association membership rights.

## **Art. VI**

### **FINANCING OF ACTIVITIES**

1. The activities of the Association are financed:

- a) from membership deposits of Association members,
- b) from membership contributions,
- c) from donations and voluntary contributions,
- d) from other contributions according the decision of the Association Member Assembly.

2. Association members may contribute to common activities also on voluntary basis. Besides the membership deposit, membership contribution and voluntary contribution, the amount of other contributions is laid down by a special decision of the Assembly, based on the submitted budget.

3. Tangible and intangible assets gained by delimitation from the former ČSAP represent a part of the core property of the Association and substitute the membership deposit of Association members which were members of ČSAP and which upon its dissolution became members of the Association.

4. Membership deposits constitute the core property of the Association and serve to cover its long-term needs. The amount of membership deposit is set at SKK 100 thousand. The membership deposit shall be paid within 30 days from the origin of associated or regular membership in the Association. .

5. The Assembly may decide on an additional membership deposit (increase of the originally set membership deposit) according specific needs of the Association. For setting of

an additional membership deposit (increase of the originally set membership deposit), consent of an absolute majority of Association members is required. Additional membership deposit (increase of membership deposit) shall be paid by Association members within 30 days from the Assembly decision on the increase of membership deposit.

6. Membership deposit serves for the payment of annual costs of the Association as well as to cover its long-term needs (purchase of tangible capital-expenditure property). The membership deposit consists of basic contribution, additional contribution and contribution of permanent associated members (Art.II, point 7 d)). After the subtraction of the contributions of permanent associated members from the approved budget, the membership deposit consists of:

- a) basic contribution calculated from the budget approved by the Members Assembly on the last session of a calendar year, constituting 60% of the total budget; the amount of basic contribution shall be set as an equal sum for each member,
- b) additional contribution constituting 40% of the total budget approved by the Members Assembly on the last session of a calendar year; the amount of the contribution shall be set according to the share of the Association members in premiums written for the previous calendar year in respect of the year in which the Members Assembly decides on the amount of contributions.

7. Membership contribution is paid by all Association members annually – the basic contribution until the end of January and additional contribution latest at the end of July of the year for which the contribution is paid.

8. The first membership contribution in case of new Association members is set in proportion to the number of calendar months of the year in which they were admitted to the Association. The first membership contribution shall be paid within one month from the origin of membership in the Association.

9. The membership deposit as well as membership contribution are paid by the members to the account of the Association. In case of default in respect of payment of the

above sums, there arises the duty to pay default fee in the amount of 1/12 of the outstanding sum for each, even started month of default.

10. In cases of special consideration, the Presidium may take measures to mitigate any unnecessary hardship.

11. Provisions of par. 6 to 10 shall be adequately applied also in case of payment of the reduced membership contribution of an associated member.

## **ASSOCIATION BODIES**

### **Art. VII**

#### **ASSOCIATION MEMBERS ASSEMBLY**

1. The supreme body of the Association is the Association Members Assembly (hereinafter „Assembly“). The Assembly decides especially on:

- a) the concept of the work of the Association, plan of activities and the budget to support it,
- b) the approval of the annual closing of books, activities of the association and report on the management of finance,
- c) admission and expulsion of members of the Association,
- d) changes and amendments of the Statutes. The Statutes become effective on the day of their approval by the Assembly. Each member of the Association obtains one copy of the Statutes, its changes and amendments.
- e) changes and amendments of other fundamental documents of the Association:
  - Principles of creation and use of the social fund of the Slovak Insurance Association,
  - Principles of management of finances of the Slovak Insurance Association,

- Electoral Regulations for the election of members of Slovak Insurance Association bodies,
- Rules of Procedure of the SIA Assembly.

2. The Assembly elects for a regular term of office of 2 years the members of Presidium, the Chairman and members of the Control Committee. The Assembly supervises their activities and recalls them.

3. The activities of the Assembly are governed by the Statutes, the Rules of Procedure of the Assembly and the Electoral Regulations for the election of the members of Association bodies.

4. The Assembly consists of maximum three permanent representatives of each Association member. A permanent representative is appointed for the period of 2 years. In well-founded cases a member of the Association may delegate also another representative.

5. There applies the principle that each regular member of the Association has one vote. A regular member of the Association authorises one of its representatives in the Assembly to vote.

6. The Assembly is quorate if an absolute majority of regular Association members are present. For a resolution to be valid, an absolute majority of votes of present regular Association members is required.

7. In case of even division of votes, the vote of the President of Association is decisive. In case of his/her absence, the vote of the chairman of the Assembly session decides.

8. The Assembly meets as necessary, at least twice in a year, and the session is invoked following a decision of the Presidium by the General Manager of the Association by written invitations, not later than 14 days before the appointed date of the session.

9. The proposal for a session may be submitted by any regular member of the Association. The Presidium decides on invoking the session. An appointed representative of the Secretariat prepares minutes from each Association session.

## **Art. VIII**

### **PRESIDIUM OF THE ASSOCIATION**

1. The Presidium of the Association is a statutory body of the Association. It decides on issues stipulated by the Statutes or set by the Assembly, especially:

- a) it submits to the Assembly proposals to all issues mentioned under Art. VII, par.1 a) to e) of the Statutes, or other issues which are decided upon by the Assembly,
- b) it appoints and recalls the General Manager of the Association and sets the Manager's salary and other terms of his/her employment,
- c) it constitutes the Secretariat of the Association which administrates current issues according the Assembly's instructions and approves its rules of organisation and other internal regulations. The secretariat consists of the General Manager and other employees in the employment of the Association,
- d) it constitutes and administrates specialised sections, especially those formed of employees of members of the Association, or, as the case may be, of persons employed by the Association. Specialised sections submit recommendations to the meetings of the Presidium and fulfil tasks imposed by the Presidium. It appoints and issues letters of appointment for chairmen of the specialised sections according the proposals of the members of each section,
- e) it constitutes the Committee of Ethics of the Association, approves its members and its Rules of Procedure,

f) it issues its Rules of Procedure.

2. The Presidium consists of the President, two Vice-Presidents and other members of the Presidium. The Presidium members are unrepresentable in the meetings of the Presidium. The function of a Presidium member is a honorary one.

3. The number of the members of Presidium is set by the Assembly. If during a term of office the number of members of the Presidium is reduced, the Presidium has the right to co-opt a representative of any member of the Association.

4. A regular member of the Association may have maximum one representative in the Presidium.

5. In the election, the importance of the position of the Association member in the insurance market is taken into account. The Presidium supervises the activities of the President and of the Vice-Presidents and recalls them.

6. As a member of the Presidium may be appointed a representative of a regular Association member acting in a top-management position (general manager, president, member of board or member of management). In case of cancellation of employment at the Association member which nominated the Presidium member, he/she ceases to be a member of the Presidium. The Association member whose representative in the Presidium ceases to be employed by the member or has been unable to perform the function of a Presidium member, proposes its new representative for co-optation. The new representative is invited to meetings of Presidium, with a voting right. The Assembly elects at its next session the co-opted representative of an insurance company to the office of a Presidium member.

7. The Presidium manages the activities of the Association in the period between Assembly sessions.

8. The activities of the Presidium are governed by the Statutes, rules of procedure of the Presidium and decisions of the Assembly.

9. The Presidium is quorate if an absolute majority of Presidium members are present. For a decision of the Presidium to become valid, an absolute majority of present Presidium members is required. Voting of the Presidium may be done also in writing or per rollam. In case of even division of votes, the vote of the President of the Association is decisive. In case of his/her absence, decisive is the vote of the person who chairs the Presidium session.

10. The Presidium meets at least four times annually, in case of necessity also upon the proposal of any Association member. The proposal must be submitted in writing with material substantiation and proposed date of Association secretariat meeting. The President or, on his/her behalf, by him/her appointed vice-president decides within 3 days, according urgency of the case, about the date of Presidium meeting.

11. The meeting of Presidium is invoked on the basis of President's decision by the General Manager, in writing, not later than 14 days before the appointed date of meeting. The Secretariat sends along with the invitation the agenda of the meeting. An appointed representative of the Secretariat prepares minutes from the meeting of the Presidium, which are then sent by the Secretariat to all members of the Presidium.

## **Art. IX**

### **CONTROL COMMITTEE**

For the purpose of supervising the financial management of the Association, the Assembly elects and recalls the chairman and other two members of the Control Committee; provisions of Art.VIII, par. 5 of the Statutes is applied adequately. Tasks of the Committee are set out in the Principles of Financial Management of the Slovak Insurance Association.

## **Art. X**

### **REPRESENTATION OF THE ASSOCIATION**

1. The President represents the Association in relation externally and negotiates on its behalf. He/she chairs Assembly meetings, meetings of the Presidium and fundamental dealings with bodies and organisations in the SR and abroad. In accordance with decisions of the Assembly and of the Presidium, he/she sets down principal tasks for the General Manager.

2. Fundamental Association documents (e.g. documents for government agencies and agreements concluded on behalf of member insurance companies) are always signed by two persons authorised to act on behalf of the Association, as stated in the decision of the Regional Authority in Bratislava. A person authorised to act on behalf of the Association may not sign any document relating to his/her personal interests.

3. In time of absence or busyness of the President, his/her duties are carried out by one of vice-presidents, delegated by the President.

## **Art. XI**

### **EXPERT SECTIONS AND WORKING COMMITTEES**

1. For the purpose of solving special problems of the insurance industry, the Presidium appoints specialised sections (hereinafter „sections“) composed from employees of Association members, from employees of the Association or other insurance and other professionals working outside the insurance industry.

2. The sections prepare for the Presidium and for the Assembly proposals for solving of special issues of the insurance industry and of member insurance companies, they discuss proposals submitted by others, especially by government agencies and prepare reports regarding the proposals for the Secretariat, or, according a decision of the Presidium and of the Secretariat, they represent the Association at negotiations with authorities outside the Association. The sections work according a schedule and they fulfil other tasks set down by the Presidium.

3. The activities of sections are governed by this Statutes and by the statutes of the respective section

4. The chairman of a section manages the work of the section in accordance with the aims of its activities. Chairmen of the sections report to the Presidium.

5. Working committees are established according Art. XIII par. 6 of the Statute, with the purpose of solving tasks issuing from short-term needs of the Secretariat and of sections.

6. If necessary, provisions of a section statute of the are applied adequately for the work of a working committee.

## **Art. XII**

### **ASSOCIATION SECRETARIAT**

1. For the purpose of supporting tasks and activities of the Association, the Presidium sets up the Secretariat. In accordance with the aims of the Association and its Statute, the Secretariat co-operates closely with the Presidium and individual sections and working committees. It fulfils tasks issuing from the decisions of the Assembly and Presidium of the Association and from the Statute of the Association.

2. The structure of the Secretariat corresponds with the aims of its activities and its scope. The Secretariat secures co-ordination of work and interaction between the sections, in respect of professional matters as well as organisation. It deals with organisational issues, registers and sends mail, secures orderly processes in financial management.

### **Art. XIII**

#### **GENERAL MANAGER**

1. The Secretariat is headed by the General Manager. General Manager is employed by the Association.

2. The General Manager proposes the organisational structure of the Secretariat which is approved by the Presidium.

3. The General Manager recruits employees of the Secretariat or, as the case may be, other Association employees and decides about cancellation of their employment.

4. The General Manager closely co-operates with the President of the Association and has the duty to provide information and documents to the President and members of the Association. He/she manages the activities of the Secretariat in accordance with the Statute, rules of organisation, principles of financial management, decisions of the Assembly and of the Presidium and valid legal enactments.

5. The General Manager submits to the Presidium a proposal for suspension of a section chairman in case the chairman does not fulfil his/her tasks, or the section does not fulfil its tasks, or if the section is inactive.

6. The General Manager appoints working committees.

7. Routine matters connected with the activities of the Association structure are negotiated and decided by the General Manager who, upon request, submits documents and his/her decisions to the Presidium.

#### **Art. XIV**

### **DISSOLUTION OF THE ASSOCIATION**

1. The Association may be dissolved upon the decision of the Assembly.

2. The way of settlement of the property and other liabilities of the Association shall be decided by the Assembly, by an absolute majority of votes of all regular Association members. The settlement of core property shall respect the share of financial deposits of the member companies and in case of other property it will take into account the amount of financial contributions of individual Association members.

#### **Art. XV**

### **CLOSING PROVISION**

All bodies and employees of the Association must comply in their publication activities with the provisions of generally binding legal enactments in respect of keeping professional secrecy.

Bratislava, May 2008

Approved by the Slovak Insurance Association Assembly at its session on May 13, 2008, as the 12th amended wording.