

Pursuant to Article 9 paragraph 3 and Article 208a of the Law on Insurance (Official Gazette of the Republic of Montenegro, No 78/06 and 19/07; Official Gazette of Montenegro, No 45/12), at the session held on 26 December 2012, the Council of the Insurance Supervision Agency adopted the

RULEBOOK ON CLASSIFICATION OF TYPES OF RISKS BY CLASSES OF INSURANCE

(Official Gazette of Montenegro, No 01/13 of 3 January 2013)

Article 1

This Rulebook governs:

- Groups of insurance,
- Classes of insurance within the groups of insurance, and
- Types of risks by classes of insurance.

Article 2

Classes of insurance shall be classified into two groups of insurances, subject to the related risk covered by the insurance:

- 1) Group of non-life insurances, and
- 2) Group of life insurances.

Article 3

The non-life insurances group shall comprise of the following classes of insurance:

01. Accident insurance;
02. Health insurance;
03. Motor vehicle insurance
04. Railway rolling stock insurance;
05. Aircraft insurance;
06. Vessel insurance;
07. Goods in transit insurance;
08. Property insurance against fire and other threats to property;
09. Other property insurance;
10. Motor vehicle liability insurance;
11. Aircraft liability insurance;
12. Vessel liability insurance;
13. General liability insurance;
14. Credit insurance;
15. Suretyship insurance;
16. Financial loss insurance;
17. Legal expenses insurance;

18. Travel insurance; and
19. Other classes of non-life insurance.

Article 4

The life insurances group shall comprise of the following classes of insurance:

1. Life insurance;
2. Annuity insurance;
3. Supplementary insurance in addition to life insurance; and
4. Other classes of life insurance.

Article 5

Types of risks within the non-life insurance classes shall be divided into:

01. Accident insurance shall be an insurance including also insurance in case of injury at work and occupational diseases whereby in case of death or loss of health resulting from an injury covers:
 - Payments of contracted pecuniary benefits, damage indemnification or compensation of costs as a one-off amount;
 - Payment of contracted pecuniary benefits in instalments;
 - Combination of payments referred to in indents 1 and 2 of this item;
 - And payments due to injury to, damage to health of or death of a passenger, and shall include:
 - 01.1. Insurance of persons against consequences of accidents during and outside of business hours (regular occupation);
 - 01.2. Insurance of persons against consequences of motor vehicle accidents and accidents in pursuit of special activities,
 - 01.3. Insurance of children and schoolchildren against consequences of accidents and special insurance of youth against consequences of accidents,
 - 01.4. Insurance of visitors, visitors of performance shows, excursion participants, and tourists against consequences of accidents,
 - 01.5. Insurance of consumers, subscribers, users of other public services and similar against consequences of accidents,
 - 01.6. Other special accident insurances,
 - 01.7. Compulsory insurance of passengers in public transport against consequences of accidents,
 - 01.0 Other accident insurances.
02. Health insurance shall be an insurance in case of sickness, injuries and other accidents and shall cover:
 - Compensation of contracted costs of medical treatment, costs of procurement of pharmaceuticals and medicinal aids,
 - Payment of agreed pecuniary benefits, and
 - Combination of payments referred to in indents 1 and 2 of this item, and shall include:
 - 02.1. compulsory insurance of compensation of costs in cases of an accident at work and occupational diseases,

- 02.2. supplementary insurance of difference in excess of health services covered under a compulsory health insurance,
 - 02.3. supplementary health insurance covering larger scope of rights and higher standard of health services other than those covered by a compulsory health insurance,
 - 02.4. private health insurance,
 - 02.0 other types of health insurances.
03. Motor vehicle insurance shall be the insurance covering all damage to or loss of self-propelled motor vehicles (other than railway rolling stock) and vehicles other than self-propelled ones and shall include:
- 03.1. CASCO (Causality and collision) insurance of self-propelled motor vehicles,
 - 03.2. CASCO insurance of vehicles other than self-propelled motor ones,
 - 03.0 other CASCO insurances of motor vehicles.
04. Railway rolling stock insurance shall be the insurance covering all damage to or loss of the railway rolling stock and shall include:
- 04.1. CASCO insurance of the railway rolling stock.
05. Aircraft insurance shall be the insurance covering all damage to or loss of aircrafts and shall include:
- 05.1. CASCO insurance of aircraft.
06. Vessel insurance shall be the insurance covering all damage to or loss of vessels (sea, river, and lake) and shall include:
- 06.1. CASCO insurance of maritime navigation vessels,
 - 06.2. CASCO insurance of river navigation vessels,
 - 06.3. CASCO insurance of lake navigation vessels,
 - 06.4. CASCO insurance of vessels under construction,
 - 06.5. CASCO insurance of platforms,
 - 06.0 CASCO insurance of other watercrafts.
07. Insurance of goods in domestic and international transport shall be the insurance covering all damage to or loss of goods, including also baggage, irrespective of the form of transport and shall include:
- 07.1. Insurance of goods in maritime transport,
 - 07.2. Insurance of goods in air transport,
 - 07.3. Insurance of goods in land transport,
 - 07.4. Insurance of goods during storage,
 - 07.0 Other insurance of goods in transport.
08. Property insurance against fire and other threats to property shall be the insurance covering damage to property due to fire, explosion, storm and other natural disasters, nuclear energy, land subsidence, other than damage covered by insurances listed in items 3, 4, 5, 6, and 7 of this Article, and shall include:
- 08.1. Property insurance against fire and other threats outside of industry and crafts,
 - 08.2. Property insurance against fire and other threats in industry and crafts,
 - 08.0 Other property insurance against fire and other threats.
09. Other property insurance shall include the insurance covering all damage to property (other than damage covered by insurances listed in items 3, 4, 5, 6, and 7 of this Article) due to hail and frost and other threats (e.g. theft) other than threats referred to in item 8 of this Article and shall include:
- 09.1. Machinery breakdown insurance,

- 09.2. Theft insurance,
 - 09.3. Glass breakage insurance,
 - 09.4. Household insurance,
 - 09.5. Insurance of buildings and structures under construction,
 - 09.6. Erection insurance,
 - 09.7. Film industry insurance,
 - 09.8. Insurance of goods in mining pits,
 - 09.9. IT equipment insurance,
 - 09.10. Insurance of inventory in refrigerated trucks,
 - 09.11. Crops and agricultural products insurance,
 - 09.12. Live stock/animal insurance,
 - 09.0 Other property insurance
10. Motor vehicle liability insurance shall be the insurance covering all types of liability arising out of the use of self-propelled motor vehicles operating on the land, including a carrier's liability, and shall include:
- 10.1. Compulsory third party liability insurance of owner or user of motor vehicles,
 - 10.2. Carrier's liability insurance for goods transported in the land transport,
 - 10.0 Other motor vehicle liability insurance.
11. Aircraft liability insurance shall be the insurance covering all types of liability arising out of the use of aircrafts, including a carrier's liability, and shall include:
- 11.1. Compulsory third party liability insurance of owner or user of aircraft,
 - 11.2. Carrier's liability insurance for goods transported,
 - 11.3 Other aircraft liability insurance.
12. Vessel liability insurance shall be the insurance covering all types of liability arising out of the use of vessels (sea, lake, and river), including a carrier's liability, and shall include:
- 12.1. Compulsory third party liability insurance of owner or user of vessels,
 - 12.2. Carrier's liability insurance for goods transported,
 - 12.0 Other vessel liability insurance.
13. General liability insurance shall be the insurance covering all types of liability other than liability stated in items 10, 11, and 12 of this Article, and shall include:
- 13.1. Insurance against contractual liability for building contractors,
 - 13.2. Insurance against contractual liability for assembling contractors,
 - 13.3. Producer liability insurance for products,
 - 13.4. Rail transport liability insurance,
 - 13.5. Insurance of guarantee for producers, sellers and suppliers, liability insurance of owner or user of marina,
 - 13.6. Ship repairers liability insurance,
 - 13.7. Liability insurance for project engineering companies and other companies for damages incurred due to incorrect technical documentation,
 - 13.8. Professional liability insurance against lawyers,
 - 13.9. Professional liability insurance against public notaries,
 - 13.10. Professional liability insurance against auditing firms,
 - 13.11. Professional liability insurance against freight-forwarders,
 - 13.12. Liability insurance against provision of security and detective services,
 - 13.13. Liability insurance of real estate management activities;
 - 13.14. Professional liability insurance against physicians and dentists,
 - 13.15. Bankruptcy administrators professional liability insurance,

- 13.0 Other liability insurance.
14. Credit insurance shall be the insurance covering risk of non-payment, or delay in payment due to insolvency, extort credits and other risks related to export, trade and investments in domestic and foreign markets, credits repaid in instalments, mortgage credits, agricultural credits, and other credits and loans, and shall include:
- 14.1. Export receivables insurance,
 - 14.2. Insurance of other receivables,
 - 14.3. Insurance of housing credits,
 - 14.0 Other credit insurance.
15. Suretyship insurance shall be the insurance covering and guaranteeing directly or indirectly fulfilment of debtor's liabilities, and shall include:
- 15.1. Suretyship insurance,
 - 15.2. Guarantee insurance.
16. Financial loss insurance shall be insurance covering:
- Professional risks (employment risk),
 - Insufficiency of income,
 - bad weather,
 - loss of benefits/profit,
 - unforeseen general expenses,
 - unforeseen operating expenses,
 - loss of market value,
 - loss of rent or revenue,
 - indirect trading losses other than losses stated in indents 1 to 8 of this item,
 - other non-operating losses,
 - other financial losses,
- and shall include:
- 16.1. Financial loss insurance against work stoppage due to fire and other threats,
 - 16.2. Financial loss insurance against work stoppage due to machinery breakdown,
 - 16.3. Insurance of various events due to precipitation,
 - 16.4. Insurance against damages due to acquisition of counterfeited foreign means of payment,
 - 16.5. Insurance against the risk of cancellation of tourist travel arrangements,
 - 16.0 Other financial loss insurance.
17. Legal expenses insurance shall be the insurance covering court expenses, expenses of lawyers and other costs of court proceedings and shall include:
- 17.1. Legal expenses insurance and insurance of costs of court proceedings.
18. Travel insurance shall be the insurance covering risks resulting from travelling outside of place of permanent residence and shall include:
- 18.1. Tourist insurance,
 - 18.2. Travel health insurance,
 - 18.3. Assistance insurance when travelling outside of place of residence or permanent residence,
 - 18.0 Insurance of other tourist risks.
19. Other classes of non-life insurance shall cover all types of risks not covered by classes listed in items 1 to 18 of this Article.

Article 6

Types of risks within the life insurance classes shall be divided into:

1. Life insurance shall be the insurance covering the following risks:
 - 1.1. Life insurance on survival (endowment insurance),
 - 1.2. Life insurance in the event of death,
 - 1.3. Life insurance in the event of death and on survival (mixed life-insurance),
 - 1.4. Whole life insurance,
 - 1.5. Serious illness insurance,
 - 1.11 Other life insurance.
2. Annuity insurance shall be the insurance of periodical revenues during a defined period or whole life and shall include:
 - 2.1. Whole life personal annuity insurance,
 - 2.2. Personal annuity insurance with defined duration,
 - 2.11 Other annuity insurance.
3. Supplementary insurance in addition to life insurance shall be the insurance covering the risks of death, partial or full incapacity to work, hospital stay resulting from an accident or sickness, and shall include:
 - 3.1. Supplementary accident insurance in addition to life insurance,
 - 3.2. Supplementary health insurance in addition to life insurance,
 - 3.11 Other supplementary insurance of persons in addition to life insurance.
4. Other classes of life insurance shall cover all risks not covered by classes listed in items 20 to 22 of this Article and shall include:
 - 4.1. Marriage insurance or birth insurance shall be the insurance covering the risks of marriage or survival on a stipulated age,
 - 4.2. Life insurance or annuity insurance where the insured persons bears the investment risk linked to the change in investment coupon value or other securities of investments funds, or insurance linked to the change in unit value of assets of the fund used for coverage and so as follows:
 - Life insurance in the event of death and on survival (mixed life-insurance) where the insured person bears the investment risk,
 - Life insurance in the event of death where the insured person bears the investment risk,
 - Life insurance on survival (endowment insurance) where the insured person bears the investment risk,
 - Life insurance where the insured person bears the investment risk with guaranteed payment, and
 - Other life insurance where the insured person bears the investment risk.
 - 4.3. Tontine shall be life insurance whereby insured persons agree to jointly capitalise their contributions and subsequently distribute the assets thus capitalised among the survivors upon completion of certain age or among the heirs of the deceased insured persons.
 - 4.4. Capital redemption insurance based on actuarial calculation whereby a policyholder, insured person or any other beneficiary, in return for single or periodic payments receives payments of specified duration and amount.

Article 7

This Rulebook shall enter into force on the eighth day following the day of its publication in the Official Gazette of Montenegro.

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President of the Council
Branko Vujović, m.p.