

Insurance Company – authorisation of portfolio transfer

	Q&A
<p>Prior to submission</p>	<ul style="list-style-type: none"> • Is it possible to consult the MNB prior to submitting the application? <p><i>Yes, it is possible to conduct personal consultations prior to submitting the application.</i></p> • How long is the administration deadline? <p><i>In the MNB's procedures – unless the law regulates otherwise – the administration deadline is three months. If the MNB called upon the client to submit missing documents, the administration deadline shall be calculated from the submission of all documents in full. When the portfolio to be transferred includes contracts where the Member State of the commitment is other than Hungary, the MNB will contact the supervisory authority of the Member State of the commitment. The supervisory authority of the respective member state shall have three months to provide its consent. The time spent on contacting the supervisory authority of the member state is not included in the administration deadline.</i></p>
<p>Application and annexes</p>	
<p>Application</p>	<ul style="list-style-type: none"> • How and in what form may the application be submitted? <p><i>The application may be submitted in the MNB's electronic administration information system ("ERA" system), under the Other licensing menu item, within the dedicated E-administration/Licensing service, on electronic form BIZE_1023 entitled "Application for the authorisation of the transfer of insurance portfolio", in the manner and with the content specified therein, simultaneously uploading the annex specified by the law and other documents prescribed by the MNB.</i></p> • What should I do with large-sized documents? <p><i>If the size of the documents exceeds 12 MB, it is recommended to use the Management of Large Files (NAK) service.</i></p> • Is it mandatory in the licensing procedure to submit public instruments issued abroad in legalised form? <p><i>No. If any doubt arises in respect of the authenticity or the content of the public</i></p>

	<p><i>instrument issued abroad, the MNB calls upon the client to present the legalised public instrument issued abroad.</i></p>
	<ul style="list-style-type: none"> • Which parameters should be used for the precise definition of the portfolio to be transferred? <p><i>The portfolio to be transferred can be precisely defined by indicating the insurance branch, class, risk or risk group, product type and by providing the contractor's identification data, the contract and policy number.</i></p> <p><i>The Transferor must make a separate declaration to the effect whether the portfolio to be transferred contains any insurance contract where the member state of the commitment is other than Hungary.</i></p> • When the portfolio to be transferred contains insurance contracts where the member state of the commitment is other than Hungary, what other information should the Transferor provide in the application? <p><i>Based on subsection 4.2.1.4 of Section IV of the "Decision on the collaboration of the insurance supervisory authorities" issued by the European Insurance and Occupational Pensions Authority (EIOPA) on 30 January 2017 under No EIOPA-BoS-17/014 (Decision) the following information must be provided:</i></p> <ul style="list-style-type: none"> ○ <i>the nature of risks covered by the contracts belonging to the portfolio to be transferred, and the insurance classes – specified in Part A) of Annex 1 of the Insurance Act – they can be allocated to;</i> ○ <i>gross and net portfolio premium;</i> ○ <i>gross and net loss reserves;</i> ○ <i>details of the asset to be transferred;</i> ○ <i>guarantees provided by the Transferor or a third party (e.g. reinsurer) to maintain the reserves linked to the portfolio to be transferred.</i> • What is the consequence of the Transferor's not providing the information prescribed in the Decision? <p><i>Until such time as the information and data are communicated or received, the MNB is unable to contact – in accordance with Section 256 (3)</i></p>

of the Insurance Act – the supervisory authority of the member state affected by the insurance portfolio to be transferred.

- **When the portfolio to be transferred contains insurance contracts where the member state of the commitment is other than Hungary, is it sufficient to submit the portfolio transfer contract in Hungarian?**

No. Pursuant to Section 4.2.1.4.c) of the Decision, it must be submitted also in English.

- **Is it possible to modify the conditions of the contracts involved in the portfolio transfer upon transferring the portfolio?**

No. Pursuant to Section 118 (1) of the Insurance Act, an insurance portfolio may be transferred with the terms and conditions of the insurance contracts unaltered. It should be noted that in the case of unit linked contracts, amendments related to the asset funds are also permitted only in accordance with the provisions of the terms and conditions.