

Pursuant to Article 92, paragraphs 4 and 5, and Article 105, paragraphs 4 and 5 of the Law on Insurance (RS Official Gazette, No 139/2014) and Article 15, paragraph 1 of the Law on the National Bank of Serbia (RS Official Gazette, Nos 72/2003, 55/2004, 85/2005 – other law, 44/2010, 76/2012, 106/2012 and 14/2015), the Executive Board of the National Bank of Serbia issues the following

D E C I S I O N

ON INSURANCE BROKER AND AGENT CERTIFICATION AND FURTHER PROFESSIONAL EDUCATION

Introductory provision

1. This Decision sets out the qualifications and professional experience required to obtain the title of certified broker and certified agent in insurance, the content of the certification syllabus and the manner of taking the certification exam to obtain these titles, the manner of proving the fulfilment of requirements to obtain these titles, as well as the manner of pursuing continuous professional education in insurance brokerage and agency.

Qualifications and professional experience

2. A certified broker in insurance (hereinafter: certified broker) must have the following qualifications and professional experience:

- 1) university degree;
- 2) at least one year of professional experience with an entity providing financial services, in the country or abroad;
- 3) completed mandatory pre-certification training course, as prescribed by this Decision.

3. A certified agent in insurance (hereinafter: certified agent) must have the following qualifications and professional experience:

- 1) at least a secondary education diploma;
- 2) at least six months of professional experience in the country or abroad, with an entity providing financial services or engaged in other economic activities, or similar activities in accordance with special laws;
- 3) completed mandatory pre-certification training course, as prescribed by this Decision.

Content of the certification syllabus and the manner of taking the certification exam

4. The syllabus for the certification exam to obtain the title of certified broker or certified agent in insurance (hereinafter: syllabus) shall cover the following topics:

- 1) fundamentals of insurance;
- 2) brokerage in insurance (for obtaining the title of certified broker);
- 3) agency in insurance (for obtaining the title of certified agent);
- 4) contracting in insurance market;
- 5) business practices and ethics in insurance.

The overview of the syllabus is given in Appendix 1 which is enclosed with this Decision and integral thereto.

5. Prior to taking the certification exam to obtain the title of certified broker or certified agent in insurance (hereinafter: certification exam), the candidate wishing to take the certification exam is required to

attend the pre-certification training course with an organisation competent in the relevant field or a professional organisation having adequate technical, staff and organisational capacity to ensure high quality training, in accordance with the syllabus, and with which the National Bank of Serbia (hereinafter: NBS) has concluded a contract to that effect.

The NBS shall publish on its website information about organisations offering pre-certification training in preparation for the certification exam and include the fees charged for their services.

6. The candidate shall take the certification exam before the Certification Exam Committee for brokers and agents in insurance (hereinafter: the Committee).

The Committee shall be set up by the Governor for a period of two years.

The Committee shall have four members, one of whom shall act as Chairperson. One member of the Committee shall be selected from among the ranks of eminent experts in insurance, and such person, as a rule, shall be a lecturer from the organisation referred to in Section 5, paragraph 1 of this Decision, whereas one member shall be nominated by the minister in charge of finance.

The Committee shall have a secretary.

7. The Committee shall determine a list of questions for the certification exam, as well as set the date, time and place of the certification exam and the exam registration deadline, and shall also draw up minutes of the certification exam process.

The Committee shall adopt its rules of procedure.

8. The certification exam shall be held twice a year, in May and December, but may also be held in an extraordinary exam term, if needed.

The date, time and place of the certification exam and the exam registration deadline shall be published on the NBS website no later than 30 days prior to the examination date.

The exam registration form shall be published on the NBS website.

9. The candidate who has completed the pre-certification training course in preparation for the certification exam pursuant to this Decision may take the certification exam provided that he meets the rest of the requirements set forth by law and this Decision.

Enclosed with the exam registration form, the candidate shall submit to the NBS the following documents:

- 1) evidence of completed secondary education or university studies, as applicable;
- 2) evidence of professional experience referred to in Section 2, item 2) or Section 3, item 2) of this Decision, as applicable;
- 3) certificate issued by a competent authority attesting that no final court decision was taken against such person whereby an effective protective measure was issued prohibiting him from pursuing professional activities, which makes him unfit to carry out insurance brokerage or agency;
- 4) evidence of completed pre-certification training course in preparation for the certification exam in accordance with this Decision.

If the candidate has completed secondary education or university studies abroad, he shall submit a certificate of equivalence of his secondary education diploma or university degree, as applicable, issued by a competent authority in the Republic of Serbia pursuant to the law regulating secondary, higher and university education, or evidence that the competent authority has begun the diploma recognition process, as applicable.

The Committee may also request that the candidate submit additional data and documents.

The person who failed the exam shall, with each subsequent exam registration form, enclose only the certificate referred to in paragraph 2, item 3) of this Section.

10. No later than 15 days from the exam registration deadline, the Committee shall publish on the NBS website a list of candidates eligible to take the certification exam.

A person who failed to take the certification exam for justifiable reasons (illness, business trip, etc.) shall submit to the Committee a petition in writing, no later than seven days after the certification exam date, requesting that the payment of the exam fee be counted towards the next term, and shall also enclose an explanation and evidence justifying exam non-attendance.

11. The certification exam shall be taken in writing and the candidate's performance assessed as "pass" or "fail".

The candidate shall be considered to have passed the certification exam if he scored at least 75 of 100 points.

The Committee shall inform candidates of their exam performance no later than 20 days from the examination date, by publishing a report on preliminary results of the certification exam on the NBS website.

12. The candidate who failed the certification exam may request access to his marked exam paper during the complaint submission period.

If the candidate believes that any of his rights have been violated or that his answers to questions have been graded incorrectly, he has a right to file a complaint within eight days from the date the preliminary results of the certification exam were published on the NBS website.

The complaint shall be submitted to the Committee which shall decide on it within eight days from the receipt.

If the complaint referred to in paragraph 2 hereof is accepted, the Committee may alter its decision on the candidate's performance in the exam, in accordance with Section 11, paragraph 2 of this Decision.

13. The NBS shall publish on its website the final list of candidates who have passed the certification exam no later than 45 days from the exam date.

A special record shall be kept of the candidates who passed the certification exam.

A candidate who has failed the certification exam may retake the module in the following term.

Within 60 days from the examination date, the NBS shall issue certification to carry on insurance agency or insurance brokerage activities (hereinafter: certification) to the candidate who has passed the certification exam.

If a person passed the certification exam but failed to provide a certificate of equivalence of his secondary education diploma or university degree referred to in Section 9, paragraph 3 of this Decision, the NBS shall issue the certification from paragraph 4 of this Section once this person has submitted the certificate of diploma equivalence.

**Obtaining the title of certified broker and certified agent
for persons who have obtained such title abroad**

14. The NBS may issue a certification to the person who was awarded the title of certified broker or certified agent abroad provided that such person meets the requirements for certification laid down by Article 92, paragraph 3 and/or Article 105, paragraph 3 of the Insurance Law, except for the requirement of having passed the certification exam.

The person referred to in paragraph 1 of this Section shall take an additional module in the Serbian language on the topic of Serbian legislation in the area of insurance (hereinafter: additional module).

The Committee shall determine the syllabus and literature for the additional module and publish the relevant information on the NBS website.

15. The registration form for the additional module shall be published on the NBS website.

The person referred to in Section 14, paragraph 1 of this Decision shall submit the registration form for the additional module to the NBS along with the following documents:

- 1) certified translation of the certification obtained abroad;
- 2) documents referred to in Section 9, paragraph 2, items 2) and 3) of this Decision;
- 3) certificate issued by a competent foreign authority that the candidate's insurance agent or insurance broker certification, as applicable, was not revoked during the prior three years.

The provisions of this Decision regarding the certification exam shall apply accordingly to the taking of the additional module.

Continuous professional education of certified brokers and certified agents

16. Certified brokers or certified agents, as applicable, shall pursue continuous professional education in order to maintain and enhance their theoretical and practical knowledge, competence and capability, as well as professional skills and values.

A certified broker or certified agent, as applicable, shall have at least 15 hours of professional education in each calendar year in which he engages in brokerage or agency, as applicable, except for the calendar year in which he was issued the certification to carry on insurance brokerage or insurance agency activities, as applicable (hereinafter: certification).

A certified broker or certified agent, as applicable, is not required to pursue professional education in the calendar year in which he does not carry on insurance brokerage or agency activities, as applicable.

The NBS shall publish on its website information about the organisations referred to in Section 5, paragraph 1 of this Decision which carry out professional education referred to in this Section and state the fees charged for their services.

17. Upon the completion of education referred to in Section 16 of this Decision, the organisation referred to in Section 5, paragraph 1 of this Decision shall issue a certificate of completed professional education to the certified broker or certified agent, as applicable, and supply to the NBS a list of such persons no later than 30 days after such professional education.

A certified broker or certified agent, as applicable, shall not engage in insurance brokerage or insurance agency, as applicable, with subjects of supervision listed in Article 86, paragraph 1 and Article 98, paragraphs 1 and 2 of the Insurance Law unless he pursues professional education in accordance with Section 16 of this Decision or unless he supplies evidence to the subject of supervision proving that he has begun the education in the manner prescribed (proof of payment of tuition fees, etc.).

Subjects of supervision referred to in paragraph 2 of this Section shall provide updated data on persons who, on behalf of such subject of supervision, carry on insurance brokerage or insurance agency activities, as applicable (full name, number and issue date of the certification, and the year in which the person pursued continuous professional education in accordance with this Decision).

Manner of submitting prescribed documents and proof of payment of fees

18. The prescribed documents which are submitted in accordance with this Decision shall either be originals or certified photocopies, not issued earlier than three months prior to the date of submitting the exam registration form referred to in Section 9, paragraph 2, and/or Section 15, paragraph 2 of this Decision.

The documents referred to in paragraph 1 of this Section shall be in the Serbian language. If the documents are written in another language, the original or a certified photocopy of the document shall be submitted along with its translation into Serbian, certified by a court interpreter.

The submitted documents shall not be returned to candidates.

19. In addition to the documents prescribed, persons submitting the exam registration form referred to in this Decision shall, within the meaning of this Decision, submit to the NBS a proof of payment of fees stipulated by the Decision on Uniform Fees Charged for Services Provided by the National Bank of Serbia.

Transitional and final provisions

20. Under the Decision on the Content and Manner of Taking the Professional Exam for Insurance Brokerage and/or Agency Services and Manner of Proving Eligibility for Obtaining the Relevant Certificates (RS Official Gazette, No 80/2006), persons who failed up to two modules in the November term of 2014 shall be entitled to retake these modules in the December term of 2015 – under the syllabus for taking the certification exam for carrying on insurance brokerage or insurance agency activities, as applicable, which is enclosed with that Decision.

Persons who submitted their exam registration forms for the November term of 2014 and paid the exam fees, but failed to take the exam as prescribed by the Decision referred to in Section 1 hereof, may take the certification exam pursuant to this Decision without paying additional fees, but shall take the exam under the syllabus only after completing the pre-certification training course in accordance with this Decision.

The NBS shall issue certifications to persons referred to in this Section who have passed the modules referred to in paragraph 1 of this Section or the certification exam, as applicable, no later than 60 days from the exam date.

21. Persons holding the title of certified broker or certified agent, as applicable, on the date this Decision enters into force, shall pursue continuous professional education starting from that date and until 1 July 2016 to attain a minimum of 20 hours of professional education in the manner prescribed by this Decision, whereof they shall submit evidence to the NBS by 1 August 2016.

If a person referred to in paragraph 1 of this Section fails to submit to the NBS evidence of continuous professional education within the prescribed deadline, he shall be deemed not to have met the requirements regarding the necessary professional qualifications within the meaning of this Decision.

A person who pursued continuous professional education within the meaning of this Section and submitted to the NBS pertinent evidence thereof shall continue to pursue professional education in accordance with this Decision as of 1 January 2017.

22. The Governor shall appoint the Committee no later than 60 days from the day this Decision enters into force.

The first certification exam in accordance with this Decision shall be held in December 2015.

23. This decision repeals the Decision on the Content and Manner of Taking the Professional Exam for Insurance Brokerage and/or Agency Services and Manner of Proving Eligibility for Obtaining the Relevant Certificates (RS Official Gazette, No 80/2006).

24. This Decision shall enter into force on the day following its publication in the RS Official Gazette and shall apply as of 27 June 2015.

NBS Executive Board No 30

27 April 2015

B e l g r a d e

Chairperson

Executive Board of the National Bank of Serbia

Governor

National Bank of Serbia

Jorgovanka Tabaković, PhD

**Syllabus of the certification exam for acquiring the title of certified broker
and/or certified agent in insurance**

I. Principles of insurance

- a) Concept of insurance/reinsurance activities
- b) Entities carrying on insurance and reinsurance activities
- c) Insurance market principles
- d) Establishment, operation, supervision and termination of an insurance/reinsurance undertaking
- e) Financial operation of an insurance/reinsurance undertaking, technical provisions and assets of an insurance/reinsurance undertaking
- f) Implementing regulations governing companies and related regulations on insurance activities

II. Insurance brokerage

- a) Insurance/reinsurance brokerage activities and entities carrying on those activities
- b) Legal position and role of an insurance/reinsurance broker
- c) Obligations of an insurance/reinsurance broker (particularly the obligation to disclose information, and protect the rights and interests of a policyholder) and the obligation to pursue continuous professional education in insurance brokerage
- d) Accountability of an insurance/reinsurance broker
- e) Compulsory insurance of an insurance/reinsurance broker
- f) Oversight of insurance/reinsurance brokers
- g) Register of insurance/reinsurance brokers and certified brokers in insurance

III. Insurance agency

- a) Insurance agency activities and entities carrying on those activities
- b) Legal position and role of an insurance agent
- c) Obligations of an insurance agent (particularly the obligation to disclose information, and protect the rights and interests of a policyholder) and the obligation to pursue continuous professional education in insurance agency
- d) Accountability of an insurance agent
- e) Oversight of insurance agents
- f) Register of insurance agents and certified agents in insurance

IV. Insurance contract

1. Life insurance

- a) Classes of life insurance and risks in life insurance
- b) Contract on life insurance and payments of insurance benefits
- c) Special rules governing the insurance of persons
- d) Life insurance linked to units of investment funds (in particular financial risks, and advantages and disadvantages of different investment options for a policyholder)

2. Non-life insurance

- a) Classes of non-life insurance and risks in non-life insurance
- b) Principles of non-life insurance
- c) Contract on non-life insurance and payments of insurance benefits
- d) Special rules governing property insurance and liability insurance
- e) Motor third-party liability insurance

V. Business practice and ethics in insurance

- a) Insurance brokerage and agency practice
- b) Assessment of consumer needs
- c) Managing conflicts of interest and the required financial competence of brokers and agents in insurance
- d) Market behaviour of brokers and agents in insurance
- e) Code of business ethics of brokers and agents in insurance.