

Information concerning general good requirements of Croatian law (mandatory provisions of Croatian law)

Introduction

This Information concerns insurance undertakings and intermediaries from the EEA, which in accordance with Article 147 of 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) or Article 4 of the Directive (EU) 2016/97 of the European Parliament and of the Council of 20 January 2016 on insurance distribution (IDD) have been authorized by home state supervision authority to carry out insurance operation in the territory of the Republic of Croatia.

The information listed in this document include the general good provisions regulating insurance distribution in addition to those set out in the IDD (Article 11(2)) and those referred to in Article 180 of Solvency II. It may also include information on other general good provisions (not related to IDD and Solvency II), such as money-laundering and taxation provisions, which are relevant for insurance distributors doing cross-border business. It is:

- of a general nature only and is not intended to address the specific circumstances of any particular individual or entity;
- not necessarily comprehensive, complete or up to date;
- sometimes linked to external sites over which Hanfa have no control and for which Hanfa assume no responsibility;
- not professional or legal advice (if you need specific advice, you should always consult a suitably qualified professional);
- to be read in conjunction with and does not override the information referred to on the national websites.

Hanfa accept no responsibility or liability with regard to the information published herein. This information available should be checked against the relevant national website(s). Only the officially published sources of General Good provisions in the respective countries are deemed authentic.

This text summarizes the general good requirements of the Insurance Act and the Act on Compulsory Insurance within Transport Sector.

Following is the list of the general good requirements of Croatian law which are contained in the following legal provisions¹:

- Regarding Solvency II Directive (2009/138/EZ):
 - article 67 of the Insurance Act (Official Gazette 30/15, 112/18, hereinafter: IA),
 - article 201, paragraph 5 of the IA,
 - article 380, paragraph 1, items 3, 4 and 9 of the IA,
 - article 380, paragraph 4 of the IA,
 - article 10 of the Act on Compulsory Insurance within Transport Sector (Official Gazette 151/05, 36/09, 75/09, 76/13, and 152/14, hereinafter: ACITS),
 - article 40.b, paragraph 5 of the ACITS,
- Regarding Directive (EU) 2016/97 on insurance distribution:
 - article 433, paragraphs 10 and 13 of the IA,
 - article 435, paragraphs 2 and 3 of the IA,
 - article 436.f paragraph 5 of the IA,
 - article 436.g, paragraphs 6 and 7 of the IA.

Article 67 of the IA:

The insurance undertaking from a Member State that intends to pursue compulsory insurances in traffic, on a freedom to provide services basis in the Republic of Croatia, is obligated to submit to Croatian national supervisory authority prior of conducting compulsory insurance business in traffic in the Republic of Croatia, the following information:

¹ For ease of reference in this document, some provisions of the general good requirements are shown throughout the whole article, but are in bold.

- the name and address of the representative in relation with providing compulsory insurances services in traffic,
- a declaration that it has become a member of the national bureau and national guarantee fund of the Republic of Croatia.

Article 201 paragraph 5 of the IA:

1. The insurance undertaking is obligated to report to the Agency in accordance with Article 215 paragraph 3, item 2 of this Act on the occurrence of any event that could lead or have already led to significant changes in the business and the result, management system, risk profile and solvency and financial position of the insurance undertaking, which includes at least the following information:
 - registration of and changes in the information registered in the court register;
 - convening of the general meeting and all the decisions adopted by the general meeting;
 - shareholders of the insurance undertaking and acquisition of or changes in the qualifying holdings referred to in Article 36 of this Act, at least once a year;
 - appointment and dismissal of members of the management and supervisory boards;
 - appointment and dismissal of persons holding key functions in the insurance undertaking;
 - planned opening, relocation, closing or temporary cessation of operations of a branch or representative office, or changes in the types of operations performed by a branch;
 - investments on the basis of which the insurance undertaking has acquired, directly or indirectly, a qualifying holding in another legal person, and on any further investment in that legal person;
 - significant changes in the capital structure;
 - discontinuation of certain insurance business;
 - complaints by policy holders, insured persons or beneficiaries under insurance contracts;
2. The insurance undertaking performing the life insurance business, or other types of insurance business that are subject to probability tables and calculations similar to those applied for life insurance in respect of which the insurance undertaking shall establish mathematical provisions, shall inform the Agency of the technical bases used for calculating the scales of premiums and technical provisions, for the sole purpose of verifying compliance with the actuarial principles.
3. The management body of the insurance undertaking shall, without delay, notify the Agency of the following events:
 - when the undertaking's liquidity is jeopardised;
 - when it observes that the insurance undertaking no longer complies with the Solvency Capital Requirement or with the Minimum Capital Requirement, or where there is a risk of non-compliance in the following three months;
 - when reasons arise for terminating or revoking authorisation to pursue the insurance business;
 - on the result of the re-calculation of the required solvency capital when the risk profile of the insurance company significantly deviates from the assumptions on which the last calculation of the required solvency capital is based and which is delivered to the Agency;
 - on its own risk and solvency assessment made after a significant change in the risk profile.
4. The insurance undertaking shall submit, at the request of the Agency, reports and information on all matters relevant to the exercise of competence and performance of tasks by the Agency pursuant to this Act or the act governing the establishment and operation of the Agency and regulations adopted under these acts.
5. **In addition to the reports and information referred to in paragraph 4 of this Article, the insurance undertaking shall submit, at the request of the Agency, the terms and conditions of insurance and other documents, for the sole purpose of verifying compliance with the provisions of this Act and other regulations governing the insurance contracts.**
6. The Agency shall issue an ordinance laying down detailed rules concerning the content of the reports referred to on paragraphs 1 and 2 of this Article, and the time limits for submitting reports or information.

Article 380 paragraph 1 items 3, 4 and 9 and paragraph 4 of the IA:

1. Before a non-life insurance contract is concluded, the insurance undertaking shall submit or deliver by mail or e-mail to the policy holder a written notification containing the following information and data:
 - name and head office of the insurance undertaking concluding the insurance contract;

- if the insurance contract is concluded through a branch of the insurance undertaking, in addition to the information referred to in item 1 of this paragraph, the branch name and the head office of the insurance undertaking through which the insurance contract is concluded shall be indicated;
 - **insurance conditions applied to the insurance contract, which is to be concluded;**
 - **the deadline during which the offer shall be binding to the insurance service provider, the right to cancel the offer for the conclusion of the insurance contract and the right to withdraw from the concluded insurance contract;**
 - the conditions for the expiry and cancellation of the contract;
 - the duration of the insurance contract;
 - level of insurance premium, the amount of insurance for primary and supplementary coverage and if necessary, method of payment and duration of payment of insurance premium, level of contributions if applicable, tax and other costs charged in addition to the insurance premium, and the total cost of insurance,
 - information on the procedure for handling complaints concerning the contracts, including an address for receiving complaints and the authority competent for handling the complaint;
 - **on the authority competent for supervision of the insurance undertaking.**
2. In addition to the data referred to in paragraph 1 of this Article, the insurance undertaking providing non-life insurance services shall also indicate the following in the notification:
- when the policy holder is a natural person, the governing law applicable to the insurance contract where the parties do not have a free choice; or
 - when the policy holder is a natural person, where the parties are free to choose the governing law and the law the life insurance undertaking proposes to choose as governing law.
3. Where the non-life insurance is offered under the right of establishment or the freedom to provide services, the policy holder shall, before any commitment is entered into, be informed in all the documents issued to them of the Member State in which the head office is situated or, where appropriate, the branch with which the contract is to be concluded, while the aforementioned shall not be applied to large risks.
4. **In the case referred to in paragraph 3 of this Article, the insurance undertaking shall indicate in the information the name and address of the insurance undertaking representative referred to in Article 67 of this Act.**
5. In addition to the data referred to in paragraph 1 of this Article, the insurance undertaking providing life insurance services shall also indicate the following in the notification:
- concrete reference to the policy holder as to the location of the report on the solvency and financial condition of the insurance undertaking, allowing the policy holder easy access to this information;
 - information about the insurance premium for each amount of the insurance, both the basic and the supplementary coverage, and the definition of each amount of insurance and option from the insurance contract;
 - the basis, benchmarks and conditions for participation in the profit and the right to the payment of the profit attributed in all payment cases;
 - personalized table of purchase and capitalized value for the years of the insurance period and to what extent these values are guaranteed;
 - information that the policy holder may withdraw from the life insurance contract no later than 30 days from the date of receiving the notification by the insurance company regarding the conclusion of the contract, whereby the policy holder shall not bear the obligations arising from the contract;
 - other specific information required to enable the policy holder to properly understand the risks underlying the contract and the obligations of the contracting parties;
 - information on arrangements for application of the cooling-off period, containing the conditions and consequences of concluding such agreements, where applicable;
 - governing law applicable to the insurance contract when the parties are not free to choose the law;
 - the freedom of choosing the applicable law and the law proposed by the insurance undertaking to be selected as governing law.
6. In the case of a life insurance contract where the policy holder bears the risk of investment, the insurance undertaking shall, in addition to the data referred to in paragraphs 1 and 5 of this Article, indicate the following in the notification before the insurance contract is concluded:
- in the case of insurance related to the value of units of the UCITS fund, key information for investors UCITS fund with an instruction where the policyholder can find information contained

in the prospectus and the rules of the UCITS fund as defined by the law governing the establishment and operation of open-end investment funds with public offering

- in the case of insurance related to the value of the assets or units in the internal fund, the data contained in the rules of the internal fund referred to in Article 162, paragraph 5 of this Act;
 - in the case of insurance related to a share index or some other reference value, the data on the underlying assets of the share index or other reference values.
7. If the data specified in this Article are contained in the insurance terms that the insurance undertaking has submitted to the policy holder before the insurance contract is concluded, the company shall be deemed to have fulfilled the obligation of providing the information to the policy holder.
 8. In the case of an insurance contract concluded on a web site, the information referred to in this Article shall be made available on the website and accepted by the policy holder before the insurance is taken out.

Article 433 paragraphs 10 and 13 of the IA:

1. Prior to the conclusion of an insurance contract, the insurance distributor shall specify, on the basis of information obtained from the customer, the demands and the needs of that customer and shall provide the customer with objective information about the insurance product in a comprehensible form to allow that customer to make an informed decision.
2. Any contract proposed shall be consistent with the customer's insurance demands and needs.
3. Where advice is provided prior to the conclusion of any specific contract, the insurance distributor shall provide the customer with a personalised recommendation explaining why a particular product would best meet the customer's demands and needs.
4. The details referred to in paragraph 1 shall be modulated according to the complexity of the insurance product being proposed and the type of customer.
5. Where an insurance intermediary informs the customer that it gives its advice on the basis of a fair and personal analysis, it shall give that advice on the basis of an analysis of a sufficiently large number of insurance contracts available on the market to enable it to make a personal recommendation, in accordance with professional criteria, regarding which insurance contract would be adequate to meet the customer's needs.
6. Without prejudice to Article 380 of this Act, prior to the conclusion of a contract, whether or not advice is given and irrespective of whether the insurance product is part of a package pursuant to Article 436a of this Act, the insurance distributor shall provide the customer with the relevant information about the insurance product in a comprehensible form to allow the customer to make an informed decision, while taking into account the complexity of the insurance product and the type of customer.
7. In relation to the distribution of non-life insurance products as listed in Article 7 paragraph 2 of this Act, the information referred to in paragraph 6 of this Article shall be provided by way of a standardised insurance product information document on paper or on another durable medium.
8. The insurance product information document referred to in paragraph 7 of this Article shall be drawn up by the manufacturer of the non-life insurance product.
9. The insurance product information document shall:
 - be a short and stand-alone document;
 - be presented and laid out in a way that is clear and easy to read, using characters of a readable size;
 - be no less comprehensible in the event that, having been originally produced in colour, it is printed or photocopied in black and white;
 - be written in the Croatia language, official languages, or in one of the official languages, used in the part of the Member State where the insurance product is offered or, if agreed by the consumer and the distributor, in another language;
 - be accurate and not misleading;
 - contain the title 'insurance product information document' at the top of the first page;
 - include a statement that complete pre-contractual and contractual information on the product is provided in other documents.
- 10. The insurance product information document from the paragraph 7 of this Article is to be provided together with information from Articles 380 and 382 of this Act or with the information pursuant to other relevant European Union on the condition that all the requirements set out in paragraph 9 of this Article are met.**
11. The insurance product information document shall contain the following information:

- information about the type of insurance,
 - a summary of the insurance cover, including the main risks insured, the insured sum and, where applicable, the geographical scope and a summary of the excluded risks,
 - the means of payment of premiums and the duration of payments,
 - main exclusions where claims cannot be made,
 - obligations at the start of the contract,
 - obligations during the term of the contract,
 - obligations in the event that a claim is made,
 - the term of the contract including the start and end dates of the contract,
 - the means of terminating the contract.
12. Regarding the distribution of the investment insurance products referred to in Article 7 paragraph 3 of this Act, information shall be provided in accordance with the regulations governing the provision of key information on investment insurance products.
13. **As an exception to paragraphs 7 and 8 of this Article, a document containing information about the insurance product issues also a producer of life insurance except for investment insurance products referred to in paragraph 12 of this Article in accordance with the provisions of this Article and Article 380 of this Act.**

Article 435 paragraphs 2 and 3 of the IA:

The information referred to in Articles 436f and 436g of this Act need not be provided to a professional investor as regulated by the law regulating the capital market.

The insurance distributor and the persons for whom the insurance distributor is responsible may not charge or accept the receipt or any other monetary or non-monetary benefit from a third party or for a third party's account relating to the distribution of the insurance product.

Article 436f paragraph 5 of the IA:

It is prohibited to accept fees, commissions or non-monetary benefits from third parties in relation to the provision of insurance advice and in case of acceptance of any such fees, commissions or non-monetary benefits, such benefit is to be returned to the clients or offset against fees paid by the client is required.

Article 436g paragraphs 6 and 7 of the IA:

Without prejudice to Article 433 Paragraph 1 of the Insurance Act, where no advice is given in relation to insurance-based investment products, insurance intermediaries and insurance undertakings may conduct insurance distribution business in Republic of Croatia with exception to Paragraph 3 of this Article if the following conditions are met:

- **the activities refer to either of the following insurance-based investment products:**
 - **contracts which only provide investment exposure to the financial instruments deemed non-complex under the Act which regulates capital market and do not incorporate a structure which makes it difficult for the customer to understand the risks involved or**
 - **other non-complex insurance-based investment products**
- **the insurance distribution activity is carried out at the initiative of the customer or potential customer,**
- **the customer or potential customer has been clearly informed that, in the provision of the insurance distribution activity, the insurance intermediary or the insurance undertaking is not required to assess the appropriateness of the insurance-based investment product or insurance distribution activity provided or offered and that the customer or potential customer does not benefit from the corresponding protection of the relevant conduct of business rules. Such a warning may be provided in a standardised format,**
- **the insurance intermediary or insurance undertaking complies with its obligations under Articles 436d and 436e of the Insurance Act.**

All insurance intermediaries or insurance undertakings, including those operating under the freedom to provide services or the freedom of establishment, when concluding insurance contracts with customers having their habitual residence or establishment in a Member State which does not

make use of the derogation referred to in Paragraph 6 of this Article shall comply with the applicable provisions in that Member State.

Article 10 paragraph 1 of the ACITS:

Insurance undertaking has to notify the supervisory authority of the policy conditions, at least 60 days prior to the application thereof, in order to have the compliance with regulations, insurance principles and good business practices verified. The insurance undertaking is required to formulate insurance premiums on the basis of actuarial methods and principles so as to allow for permanent fulfilment of all insurance undertaking's obligations under the insurance contract, including the provision of sufficient technical reserves for the said insurance. The supervisory authority may request scales of premiums, technical bases and elements used for premium calculation, for purposes of verification their compliance with Croatian regulations.

Article 40b paragraph 5 of the ACITS:

The certificate or other proof of the concluded insurance contract referred to in paragraph 1 of this Article must contain the secured risks and that the insurance is concluded in accordance with Regulation (EC) No. 785/2004.

Below are the legal provisions that do not represent the general good requirements of Croatian law, but which are of great importance for the protection of consumer rights in the Republic of Croatia as well as for the business of insurance undertakings or reinsurance undertakings and insurance distributors who provide their services on the territory of the Republic Croatia, and therefore the listed subjects are required to abide by those provisions.

Croatian insurance legislation in force

Provisions that regulate insurance business in the Republic of Croatia are laid down, inter alia, in the following acts:

- IA,
- ACITS,
- Civil Obligations Act (COA) – Official Gazette No. 35/05, 41/08, 125/11, 78/15 and 29/18,
- Act on Mandatory Health Insurance – Official Gazette No. 80/13 and 137/13,
- Anti-Money Laundering and Terrorist Financing regulations,
- Tax regulations.

Carrying on of insurance or reinsurance operations by insurance or reinsurance undertaking from a Member State in the Republic of Croatia either directly or through a branch is covered by provisions of Article 66 - 77 of the Insurance Act.

The policy holder shall be kept informed throughout the term of the contract of any change concerning the above mentioned information from item 1 to item 6 of Article 380 of the IA (Article 381 of the IA).

- Where, in connection with an offer for or conclusion of a life insurance contract, the insurer provides figures relating to the amount of potential payments above and beyond the contractually agreed payments, the insurer shall provide the policy holder with a specimen calculation whereby the potential maturity payment is set out applying the basis for the premium calculation using three different rates of interest. This shall not apply to term insurances and contracts. The insurer shall inform the policy holder in a clear and comprehensible manner that the specimen calculation is only a model of computation based on notional assumptions, and that the policy holder shall not derive any contractual claims from the specimen calculation.
- In the case of insurances with profit participation, the insurer shall inform the policy holder annually in writing of the status of the claims of the policy holder, incorporating the profit participation. Furthermore, where the insurer has provided figures about the potential future development of the profit participation, the insurer shall inform the policy holder of differences between the actual development and the initial data

- In the case of insurance where the policy holder bears the investment risk, the insurance undertaking shall notify the policy holder annually in writing of the value of the assets per insurance policy in accordance with Article 162 of IA.

Contents of the communication

The information from Article 380 and Article 381 of the IA shall be provided in a clear and accurate manner, in writing, in Croatian language. However, such information may be in another language if the policy holder so requests and the law of the Member State so permits or the policy holder is free to choose the law applicable.

Promotional activities

Insurance undertaking from another Member State may advertise their services in the Republic of Croatia through all available means of communication, under the conditions that the advertising is in accordance with the provisions of IA which regulate advertising and other regulations governing the form and content of such advertising and that they have been adopted in the interest of the common good.

Policy and other insurance-related documents (Article 926 of the COA)

1. The policy shall include the following particulars: parties to the contract, insured person or thing or another object of insurance, risk covered by the insurance, duration of the contract and duration of the insurance cover, the amount insured or indication that the insured amount is unlimited, premium or contribution (stake), date when the policy is issued and signature of the parties to the contract.
2. The insurance policy may temporarily be replaced by the covering note or another insurance-related document where material provisions of the contract are entered.
3. The insurer shall notify the policyholder that general and/or special insurance terms and conditions represent an integral part of the contract and shall provide the policyholder with the text of the terms and conditions, unless they are already printed on the policy.
4. Fulfilment of the obligation referred to in paragraph 3 of this Article shall be indicated in the policy.
5. In the case of disparity between any of the provisions of the general or special conditions and a provision of the policy, the latter shall apply; in the case of disparity between the printed and typed provision, the typed one shall apply, and in the case of disparity between the typed provisions and those that are handwritten, the handwritten provision shall apply.
6. In accordance with the agreement between the parties, the policy may be registered in the name of a person, may be of the order or bearer type, or issued on behalf of whomever it may concern.

Life insurance policy (Article 967 of the COA)

1. In addition to general particulars of any policy, a life insurance policy should contain the following: name of a person to whose life a policy relates, date of birth of that person or time limit on which enjoyment of right to the insured amount depends.
2. Life insurance policy may be registered in the name of a person, or may be in a form of order, but may not be in a bearer form.
3. For an endorsement of a policy in a form of order to be valid it should contain name of beneficiary, date of endorsement and signature of endorser.

Health Insurance

According to Article 72 paragraph 1 item 11 of the Act on Compulsory Health Insurance (Official Gazette No. 80/13, 137/13) incomes of the compulsory health insurance are, among others, incomes from compulsory insurance Motor Third Party liability. Furthermore, according to Article 72 paragraph 3 of the said Act those incomes shall be paid by insurance companies in the amount of 4% of the settled risk premium of compulsory insurance Motor Third Party liability. This amount represents an advance compensation of damages to the Croatian Institute for Health Insurance in the cases referred to in Article 140 of said Act which have caused the owners or users of the insured vehicle. Furthermore, according to Article 72 paragraph 4 of the said Act, insurance companies are obliged to reimbursement of income referred to in Article 72 paragraph 1, item 11 of the said Act in accordance with Article 72, paragraph 3 of the said Act. They are obliged to reimbursement of afore-mentioned income by the 10th day of the month

for the previous month on the total amount of settled risk premium of compulsory insurance Motor Third Party liability on the behalf of the account of the Croatian Institute for Health Insurance.

Furthermore, according to Article 77 paragraph 1 of the Insurance Act (Official Gazette No. 30/15, 112/18) the said Act on Compulsory Health Insurance applies to all insurance undertakings from the EEA which in accordance with the provisions of the Insurance Act and Act on Compulsory Insurance within the Transport Sector provide services regarding compulsory insurance Motor Third Party liability on the territory of the Republic of Croatia under freedom of services and freedom of establishment. Following those, insurance companies from another Member State which provide compulsory insurance Motor Third Party liability on the territory of the Republic of Croatia on a freedom to provide services or freedom of establishment are obliged to pay 4% of the settled risk premium of compulsory insurance Motor Third Party liability to the Croatian Institute for Health Insurance as described above.

Form of information provided by insurance intermediaries and obligations of insurance intermediaries related to conclusion of insurance contract

Article 431 of the IA:

1. In good time before the conclusion of an insurance contract, an insurance intermediary shall provide the policyholder with the following information:
 - his/her name, surname and address if he/she is a natural person or name and headquarters if it is a legal person,
 - information that he/she/it is an insurance intermediary,
 - information whether he/she/it provides advice about the insurance products sold,
 - information on the possibility of interested parties referred to in Article 375 of this Act to file a complaint about the work of insurance intermediaries referred to in Article 402 of this Act and on procedures for out of court resolution of complaints and disputes referred to in Article 427 of this Act,
 - the register in which it has been included and the means for verifying that it has been registered; and
 - whether the intermediary is representing the customer or is acting for and on behalf of the insurance undertaking.
2. In addition to the obligations stipulated in Articles 380 and 382 of this Act, the insurance undertaking shall be obliged to ensure, in good time before the conclusion of the insurance contract, that its employee will provide the parties with the following information:
 - name and address of the insurance undertaking,
 - information that he/she is the employee of the insurance undertaking,
 - information whether he/she provides advice about the insurance products sold,
 - information on the possibility of consumers, customers and other interested parties referred to in Article 375 of this Act to submit a complaint to the insurance company and on procedures for out of court resolution of complaints and disputes referred to in Article 427 of this Act.

Article 432 of the IA:

1. In addition to the information referred to in Article 431 of this Act, insurance intermediary shall in good time before the conclusion of insurance contracts provide the customer the following information:
 - whether it has a holding, direct or indirect, representing 10 % or more of the voting rights or of the capital in a given insurance undertaking,
 - whether a given insurance undertaking or parent undertaking of a given insurance undertaking has a holding, direct or indirect, representing 10 % or more of the voting rights or of the capital in the insurance intermediary;
 - in relation to the contracts proposed or advised upon, whether:
 - it gives advice on the basis of a fair and personal analysis,
 - whether he/she/it is under a contractual obligation to conduct insurance distribution business exclusively with one or more insurance undertakings, in which case it is to provide the names of those insurance undertakings, or
 - whether it is under a contractual obligation to conduct insurance distribution business exclusively with one or more insurance undertakings and gives advice on the basis of a

- fair and personal analysis, in which case it is to provide the names of the insurance undertakings with which it may and does conduct business,
- the nature of the remuneration received in relation to the insurance contract,
 - whether in relation to the insurance contract, it works:
 - on the basis of a fee, that is the remuneration paid directly by the customer,
 - on the basis of a commission of any kind, that is the remuneration included in the insurance premium,
 - on the basis of any other type of remuneration, including an economic benefit of any kind offered or given in connection with the insurance contract, or
 - on the basis of a combination of any type of remuneration set out at first three point.
2. Where the fee is payable directly by the customer, the insurance intermediary shall inform the customer of the amount of the fee or, where that is not possible, of the method for calculating the fee.
 3. Insurance undertaking shall in good time before the conclusion of an insurance contract, communicate to its customer the nature of the remuneration received by its employees in relation to the insurance contract.
 4. If any payments, other than the ongoing premiums and scheduled payments, are made by the customer under the insurance contract after its conclusion, the insurance undertaking shall also make the disclosures in accordance with this Article for each such payment.

Article 434 of the IA:

The ancillary insurance intermediary shall in good time before the conclusion of insurance contracts provide the customer the following general information:

- his/her name, surname and address and the information that he/she/it is an ancillary insurance intermediary,
- information on the possibility of customers and other interested parties to submit a complaint on the work of insurance intermediary referred to in Article 427 of this Act and on procedures for out of court resolution of complaints and disputes referred to in Article 427 of this Act,
- the register in which it has been included and the means for verifying that it has been registered, and
- the nature of the remuneration received in relation to the insurance contract.

Article 436 of the IA:

1. All information to be provided in accordance with Articles 431, 432, 433 and 436f shall be communicated to the customer:
 - on paper,
 - in a clear and accurate manner, comprehensible to the customer,
 - in Croatian language or in an official language of the Member State in which the risk is situated or of the Member State of the commitment or in any other language agreed upon by the parties, and
 - free of charge.
2. By way of derogation from point (a) of paragraph 1 of this Article, the information referred to in Articles 431, 432, 433 and 436f may be provided to the customer on one of the following media:
 - a durable medium other than paper, where the conditions laid down in paragraph 4 of this Article are met, or
 - a website where the conditions laid down in paragraph 5 of this Article are met.
3. However, where the information referred to in Articles 431, 432, 433 and 436f is provided using a durable medium other than paper or by means of a website, a paper copy shall be provided to the customer upon request and free of charge.
4. The information referred to in Articles 431, 432, 433 and 436f may be provided using a durable medium other than paper if the following conditions are met:
 - the use of the durable medium is appropriate in the context of the business conducted between the insurance distributor and the customer, and
 - the customer has been given the choice between information on paper and on a durable medium, and has chosen the latter medium.
5. The information referred to in Articles 431, 432, 433 and 436f may be provided by means of a website if it is addressed personally to the customer or if the following conditions are met:
 - the provision of that information by means of a website is appropriate in the context of the business conducted between the insurance distributor and the customer,

- the customer has consented to the provision of that information by means of a website,
 - the customer has been notified electronically of the address of the website, and the place on the website where that information can be accessed,
 - it is ensured that that information remains accessible on the website for such period of time as the customer may reasonably need to consult it.
6. For the purposes of paragraphs 4 and 5, the provision of information using a durable medium other than paper or by means of a website shall be regarded as appropriate in the context of the business conducted between the insurance distributor and the customer if there is evidence that the customer has regular access to the Internet which is considered the indicated e-mail address of the customer.
 7. In the case of telephone selling, the information given to the customer by the insurance distributor prior to the conclusion of the contract, including the insurance product information document, shall be provided in accordance with rules applicable to the distance marketing of consumer financial services.
 8. If the customer has chosen to obtain prior information on a durable medium other than paper in accordance with paragraph 7 of this Article, information shall be provided by the insurance distributor to the customer in accordance with paragraph 4 of this Article immediately after the conclusion of the insurance contract.

Compulsory insurance within the transport sector

Article 2 of the ACITS:

Compulsory insurance within the transport sector includes:

- Accident insurance of passengers in public transport
- Insurance of the owner or user of the vehicle against liability for damage caused to third parties (motor vehicle liability insurance)
- Insurance of the owner or user of an aircraft against liability for damage caused to third parties and passengers
- Insurance of the owner or user of a motorboat or yacht against liability for damage caused to third parties.

Article 43 paragraphs 3, 4 and 5 of the ACITS:

The information that the insurance undertaking gives the policyholder before the conclusion of the insurance contracts and during the term of the insurance contract must be drawn up in accordance with the provisions of this Act and the Insurance Act (Official Gazette No. 30/15, 112/18) which prescribe the content and form of such information.

Insurance contract, insurance policy or other certificate on insurance and other documentation in connection with the insurance contract shall comply with the provisions of this Act and regulations governing the content and shall be drawn up in writing and in the Croatian language.

The insurance undertaking may not engage in compulsory insurance business if it is not a member of the Croatian Insurance Bureau.

Anti-Money Laundering and Terrorist Financing regulations

<https://mfin.gov.hr/istaknute-teme/ured-za-sprjecavanje-pranja-novca/zakoni-i-pravilnici/2712>

<https://www.hanfa.hr/regulations/other/>

Tax regulations

<https://mfin.gov.hr/pristup-informacijama/zakoni-i-propisi-680/porezi-690/690>

Fees to be paid to the Croatian Financial Services Supervisory Agency

In accordance with Article 4 paragraph 5 of the Croatian Ordinance on calculation, amount and charging of fees paid to the Croatian Financial Services Supervisory Agency for the year 2019 (Official Gazette No. 112/18 and 18/19) the insurance company should pay annual flat fee for providing insurance business on a

freedom of establishment basis in the Republic of Croatia in the amount of 20,000.00 HRK to the account holder: the Croatian Financial Services Supervisory Agency, Franje Račkog 6, 10 000 Zagreb, IBAN: HR91 2390 0011 1003 29373, SWIFT CODE: HPBZHR2X, BANK: Croatian Postal Bank with reference number 857 within three months of the end of the year for which the fee is calculated.

In addition, please note that all costs of wire transfer are borne by the payer (the cost of the Bank and the intermediary / foreign banks).