

**Appendix to FRC Resolution No. 192, 2007**

**Regulation on Setting forms and contents of financial reports and accounting documents of insurance intermediaries**

**ONE. General Provisions**

1.1. The purpose of this regulation is to set and adopt the content and form of financial report and accounting documents of insurance intermediaries as prescribed in 6.2.3 of the Law on Insurance Intermediaries.

1.2. This regulation shall be enforced within the scope of international accounting standards, Law on Accounting and its related regulations and guidelines which are effective in Mongolia.

**TWO. Income statement of insurance intermediary activities**

2.1. The income of insurance broker is the fees extracted as a result of contracts and deals to conclude by engaging with the entity for the benefit of the insured according to the authorities of insurer and insured.

2.2. The commission of insurance agent is the fees extracted as a result of contracts and other legal acts to be concluded on behalf of legal interest of insurer.

2.3. The income of insurance loss adjustor is the fees extracted as a result of deals to be concluded by implementing role of both parties independently, conduct supervision on loss claim and determine actual loss relevant to insurance policy established on behalf of insurer and insured.

2.4. The income of the insurance broker and loss adjustor shall be recorded in the income statement approved by Annex 2 of the Resolution No. 284, 2004 of the Minister of Finance.

2.5. The commission of the insurance agent shall be recorded in operating expenditure of the income statement approved by Annex 2 of the decree no. 284 of the Minister of Finance.

**THREE. Content and form of Income statement**

3.1. Income of brokerage and loss adjusting activities shall be recorded in income statement approved by Annex 2 of the Resolution No. 248, 2004 of the Minister of Finance.

3.2. The insurance brokerage company shall issue income statement as stipulated in Annex 1 of this regulation.

3.3. The insurance assessing company shall issue income statement as stipulated in Annex 2 of this regulation.

3.4. The insurance broker company shall issue information regarding the brokerage activities as stipulated in Annex 3 of this regulation.

3.5. The insurance assessing company shall issue information regarding the adjusting activities as stipulated in Annex 4 of this regulation.

3.6. The insurance broker and the assessing company shall submit information regarding Annex 3 and 4 along with its financial report to the Commission every quarter.

#### **FOUR. Miscellaneous**

4.1. The insurance broker company may extract up to 10 percent of insurance premium from insured to the insurer as brokerage fee.

4.2. The insurance assessing company may extract up to 5 percent of amount of loss compensation as service fee.

4.3. The insurance broker company and insurance assessing company shall be responsible to conduct activities in guidance with policy concluded by insurer and insured.

4.4. It is prohibited for insurance broker to act as a broker to an entity unlicensed to conduct insurance activity and benefit from the income.

**Annex 1 of Regulation on Setting  
forms and contents of financial reports and  
accounting documents of insurance  
intermediaries**

**INCOME SHEET**

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**Company name**

**Date.....**

MNT

Number	Description	Previous	Ending
1.1.1	Amount of premium paid to insurer		
1.1.2	Income of brokerage to insurer		
1.1.3	Income of brokerage to insured		
1.1.4	Income of insurance loss brokerage		
1.1.5	Other operating revenue		
1.1.6			
1.1.7	Total		

Director ..... / /

Accountant..... / /

**Annex 2 of Procedures for the  
contents forms of the accounting documents  
and financial reports of insurance  
intermediaries**

**INCOME SHEET**

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**Company name**

**Date.....**

MNT

Number	Description	Amount of previous year	Amount of reporting year
1.1.1	Income of insurance loss assessing		
1.1.2	Other income		
1.1.3			
1.1.4	Total income		

Director ..... / /

Accountant..... / /

**Annex 2 of Regulation on Setting  
forms and contents of financial reports and  
accounting documents of insurance  
intermediaries**

**Record of Insurance assessing companies**

No	Name of the claimant for loss assessor	Name of insurer	Type of insurance	Total amount of loss	Commission rate	Amount of commission

Director ..... /

Accountant..... /

**Annex 4 of Regulation on Setting  
forms and contents of financial reports and  
accounting documents of insurance  
intermediaries**

**Record of Insurance policy of insurance broker company**

/MNT/

N <sup>o</sup>	Name of Insured	Contract number	Type of insurance	Sum Insured	Premium rate	Total amount of premium	Brokerage rate	Amount of brokerage income	Name of Insurer

Director ..... / /

Accountant..... / /