

**GUIDELINE ON DETERMINING QUALIFIED BODY TO ACT AS AN INSURER AND
CRITERION OF INSURER AND INSURANCE INTERMEDIARIES**

ONE. General Provisions

1.1. The purpose of this guideline is to define the qualified body (hereinafter referred to as “qualified body”) in engaging the activities of insurance and insurance intermediaries by the Financial Regulatory Commission (hereinafter referred to as “the Commissions”).

**TWO. Define the qualified entity to act as an insurer and insurance
intermediaries**

2.1. The qualified body shall be an individual or legal entity who satisfied the requirements indicated in Section 2 of this guideline. */this sub-provision was amended by Resolution No.18, dated January 31st, 2008/.*

2.2. If the founder, investor of the insurance and the insurance intermediaries engaging in the activities is an individual:

2.2.1. Not having any credit contract, out of date payment;

2.2.2. Not being appointed and worked for following positions such as director, member, executive management of the supervisory board of any insurance company;

2.2.3. Absence of convictions for crimes in the capacity of a financial market participant committed for greed, if convicted the period of the end of conviction shall be more than 2 years

2.3. If the founder, investor of the entity engaging in the activities of insurance and insurance intermediaries is a legal person:

2.3.1. The executive management shall meet the requirements indicated in section 2.2 of this guideline;

2.3.2. The given legal body, its executive management, shareholders should not be board of directors, executive management, shareholders of the insurance and insurance intermediary company which were bankrupted and liquidated on other grounds for the last 2 years;

2.3.3. Engaging in the activities within the scope of the laws and regulations of Mongolia and having stable business affairs;

2.3.4. Business and ethic reputation shall not violate engagement and management of the activities of the insurance and the insurance intermediaries;

2.3.5. Avoid using the same name and logo of the insurance company of which its license has been annuled.

2.4. If the founder, investor of the entity engaging in the activities of insurance and insurance intermediaries is foreign citizen and legal entity:

2.4.1. The sections 2.2, 2.3 and 2.5 of this guideline shall belong likewise;

2.4.2. In order to be defined as a qualified body, references and other necessary materials of the authorities of the county of residency shall be submitted;

2.4.3. The Commission shall demand additional materials, inquiries regarding these issues within its authority.

2.5. The executive management engaging in the activities of insurance and insurance intermediaries shall:

2.5.1. Have a degree in accountacy, economics, work experience in insurance field;

2.5.2. Be involved in training course of insurance, gaining a certain knowledge, and experience in the field of work;

2.5.3. The section 2.2 of this guideline shall belong likewise.

2.6 The executive management engaging in the activities of insurance and insurance intermediaries shall:

2.6.1 Have a degree in accountacy, economics, working experience in insurance field;

2.6.2 Be involved in training course of insurance, gaining certain knowledge and experience in the field of work

2.6.3 Shall meet the requirements of 2.2 of this guideline.
(This sub-provision was amended by Resolution No.18, dated January 31st, 2008.)

THREE. Miscellaneous

3.1. The Commission shall not issue the license to engage in activities of general insurance and insurance intermediaries if the qualified body does not meet the requirements