

**Appendix of FRC Resolution
No. 82, 2008**

REGULATION ON CONDUCTING INSURANCE TRAINING AND EXAMINATION

One. General provisions

1.1. The purpose of this regulation is to regulate the relations with respect to organizing training and examination for issuance of licenses to the insurance intermediaries, auditors and actuaries to conduct auditing of financial statement over insurers, and other trainings in this field by the Financial Regulatory Commission (hereinafter referred to as “Commission”).

1.2. Types of trainings:

- 1.2.1. Training of an insurance agent;
- 1.2.2. Training of an insurance auditor;
- 1.2.3. Training of an insurance actuary;
- 1.2.4. Other trainings and seminars

1.3. A person who wishes to apply for the training stated in the provisions 1.2.1, 1.2.2 and to obtain a license shall fully meet other conditions and requirements set out in the “Regulation on licensing of general insurance, reinsurance, and insurance intermediary activities”, approved by the FRC Resolution No. 61, 2008, the Law on Insurance and Law on Insurance Intermediaries.

1.4. A person who wishes to apply for the training stated in provision 1.2.3 of this regulation and to obtain a license shall fully meet other conditions and requirements set out in the “Regulation for issuing licenses to engage in actuarial activities, standard valuation of actuary, examination and reporting by actuary, approved by the FRC Resolution No. 212, 2007.

1.5. An insurance organization shall submit its annual training program to the Commission within January of each year. The training program shall include the training of participation of the employees to be conducted by the FRC, and the trainings to be organized by the insurer.

1.6. Trainings in the insurance field shall be conducted in two forms: licensing and to enhance expertise.

1.7. Training to enhance expertise is a training to be organized for the licensed entities to be engaged as insurance agents, insurance auditor and insurance actuary.

1.8. Mongolian Insurers Association shall be committed to organize and take the examination of the training stated in provision 1.7 of this regulation.

1.9. An insurance agent and an insurance auditor shall participate in the training for enhancing expertise once in every three years, and an insurance actuary once in every 2 years since obtaining the license, respectively.

1.10. The Commission shall suspend the license of a person who has not participated in the training for enhancing expertise as specified in the provision 1.9 or has failed the examination.

Two. Training for issuance of insurance agent license and licensing examination

2.1. Training for issuance of insurance agent license shall be organized by the Mongolian Insurers Association or by an insurance company for its insurance agent.

2.2. An insurer shall submit its training program designed for its insurance agent to the Insurance department (hereinafter referred to as "Insurance department") for the period of not less than 1 month before the start of the training. The Insurance department shall revise, and approve the program.

2.3. If the Insurance department revises and makes alteration to the training program of an insurance agent, received from the insurer, it shall be informed to the insurer.

2.4. Any training conducted without prior notice, and the program not approved by the Insurance department shall not be considered as training for issuance of insurance agent license.

2.5. The training program for insurance agent sent by the insurer shall contain the followings:

2.5.1. The Training name;

2.5.2. Types and forms of the training;

2.5.3. Length of the training;

2.5.4. Organizing organization and venue to be conducted;

2.5.5. Objectives and contents of the training;

2.5.6. Name of the trainer;

2.5.7. Number of trainees;

2.5.8. Thematic program of the training.

2.6. The thematic program specified in the provision 2.5.8 shall be issued as stated in appendix 1 of this regulation.

2.7. A person who wishes to obtain insurance agent license shall have undergone not less than 16 hours of training.

2.7.1. One hour of training shall be 45 minutes.

2.8. The thematic program as stated in the provision 2.5.8 shall reflect Law on Insurance, Law on Insurance Intermediaries and other relevant rules, regulations, and guidelines derived from them.

2.9. Training of an insurance agent to be conducted in Ulaanbaatar shall be supervised by a representative appointed by the Commission.

- 2.10. Training of an insurance agent to be conducted in regions shall be supervised by a representative appointed to the given region by the Commission.
- 2.11. Examination Committee, approved by the Head of Staff, is committed to take examination from a person who has obtained certificate and completed the required credit of insurance agent training specified in provision 2.7 of this regulation.
- 2.12. Composition of the examination committee shall be approved by the decree of the Head of staff upon each examination.
- 2.13. The exam questions and date of training for licensing of an insurance agent shall be formulated and set by the Insurance Department.
- 2.14. The Insurance department shall revise the examination materials of the training conducted in Ulaanbaatar and the training conducted in the regions within 1 working day and shall report the results to the insurer respectively.
- 2.15. Examination materials of the training of an insurance agent conducted in the regions shall be revised within 1 working day by the regional representative of the Commission and shall be submitted to the Insurance department within 7 working days for review.
- 2.16. An officer appointed by the Insurance department can, if necessary, participate in the training of an insurance agent and conduct on-site supervision.
- 2.17. A person who meets the requirements for the insurance agent set out in the “Regulation on licensing of ordinary insurance, reinsurance, insurance intermediary activities” approved by the FRC Resolution No.61 of 2008, and Law on Insurance, Law on Insurance Intermediaries and who has participated in the training of an insurance agent and succeeded at the examination shall be granted license upon the decree of the Chairman of the Commission.

Three. Training for licensing of insurance audit and examination for licensing of an auditor to conduct auditing of an insurer

- 3.1. The training for auditor to conduct auditing over the financial report of an insurer shall be organized (hereinafter referred to as “training for insurance auditors”) by the Commission according to provisions 2.1.5, 2.1.7 of the “Regulation on licensing of an auditor to carry out auditing of an insurer”, approved by the FRC Resolution No. 50, 2006.
- 3.2. The Commission shall inform the auditing companies about the date, place and other related information of the training of an insurance auditor within 14 days before the start of the training.
- 3.3. An auditor who wishes to obtain auditing license over an insurer shall meet the requirements set out in provision 2.1 of the “Regulation on licensing of an auditor to carry out auditing of an insurer”, approved by the FRC Resolution No.50, 2006 and shall submit the completed documents to the Commission as set out in the provision 3.1.
- 3.4. The training program of an insurance auditor shall be formulated by the Insurance department and approved by the Head of Office.
- 3.5. The training program of an insurance auditor shall be conformed to the Law on Insurance and a set of regulations on insurance.
- 3.6. A person who wishes to participate in the training of an insurance auditor and obtain a license shall have completed more than 10 hours of training.

3.7. The training hour is calculated as set out in provision 2.7.1 of this regulation.

3.8. Examination Committee, approved by the Head of Staff, is committed to take licensing examination of auditing over an insurer from a person who has attended the training of an insurance auditor and completed the required credit set out in provision 3.6 of this regulation.

3.9. The Insurance department shall formulate the questions and set the date and place of the examination indicated in provision 3.8 of this regulation.

3.10. The Insurance department shall revise the materials of the Examination for issuance of insurance auditor license of an insurer within 1 working day and shall report the result to the examinee.

3.11. A person who meets the requirements set out in the Law on Insurance, Law on Insurance Intermediary and the “Regulation on licensing of an audit to carry out auditing over of an insurer”, approved by the FRC Resolution No. 50, 2006 and who has undergone the training of an insurance auditor and succeeded at the examination mentioned in provision 3.8 of this regulation shall be granted a license of insurance auditor to conduct auditing at insurer upon the decision of the Commission.

Four. Training for an insurance actuary and examination for licensing of an insurance actuary

4.1. The training for issuance of insurance actuary license (hereinafter referred to as “actuary training”) shall be regulated by the appendix 2 of the “Regulation for issuing licenses to engage in actuarial activities, standard valuation of actuary, examination and reporting by actuary, approved by the FRC Resolution No. 212, 2007.

4.2. The actuary training can be organized by the Commission.

4.3. The Commission shall inform the insurers about the date, place and other related information of the training of an insurance actuary set out in provision 4.2 of this regulation within 14 days before the start of the training.

4.4. The training program of an insurance actuary shall be formulated by the Insurance Department and approved by the Head of Office.

4.5. The training program of an insurance actuary shall be in conformed to the Law on Insurance and the set of regulations on insurance.

4.6. A person who wishes to obtain actuary license shall have undergone not less than 40 hours of training.

4.7. The training hour is calculated as set out in provision 2.7.1 of this regulation.

4.8. Examination committee approved by the decree of the Head of Staff is committed to take examination from a person who has undergone the training for insurance actuary conducted by the Commission and completed the required credit specified in provision 4.6 of this regulation.

4.9. The Insurance department shall formulate the questions and set the date and place of the examination indicated in provision 4.8 of this regulation.

4.10. The Insurance department shall revise the material of examination to grant license of actuary within 3 working days and inform the examinees about the result.

4.11. A person who meets the requirements set out in the Law on Insurance and the “Regulation for issuing licenses to engage in actuarial activities, standard valuation of actuary, examination and reporting by actuary, approved by the FRC Resolution No. 212, 2007 and who has undergone the insurance actuary training and succeeded at the examination, mentioned in provision 4.8 of this regulation shall be granted an actuary license upon the decision of the Commission.

Five. Miscellaneous

5.1. The Insurance department is in charge of elaborating training programs, preparing the budget and submitting to the Head of staff for approval and publicizing the training.

5.2. All trainings, except for those specified in provisions 1.2.1, 1.2.2, 1.2.3 of this regulation, shall be organized by the Insurance department, and the training program and budget shall be presented to the Head of the staff for approval.

5.3. The Commission shall ensure oversight over the implementation of this regulation and impose the liability to a person, which has violated, in accordance with provision 83.1.32 of the Law on Insurance, and the provision 45.1.14 of the Law on Insurance Intermediaries.