**ANNEX III**

**TEMPLATE FOR THE DISCLOSURE OF INFORMATION REGARDING THE EXERCISE OF OPTIONS UNDER POINT (D) OF ARTICLE 31(2) OF DIRECTIVE 2009/138/EC**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Article of Directive 2009/138/EC** | **Title of Article** | **Description of the option** | **Use of option YES / NO** | **National legal instrument used L/R/A(1)** | **Reference to Article in national law** | **Text or link to text of national law** | **Text or link to text of national law where available in another language** |
| Article 13(27) | Definitions | Regarding the definition of large risks option to add to the category of risks classified under classes of non-life insurance 3, 8, 9, 10, 13 and 16 in Part A of Annex I, the risks insured by professional associations, joint ventures or temporary groupings |  No |   |   |   |   |
| Article 15(2), sub-paragraph 3 | Scope of authorisation | Option to grant authorisation for two or more classes of direct insurance |  No |   |   |   |   |
| Article 15(3), sub-paragraph 1 | Scope of authorisation | Option to grant authorisation for non-life insurance for groups of classes listed in Part B of Annex I |  No |   |   |   |   |
| Article 17(2) | Legal form of insurance or reinsurance undertaking | Option to set up undertakings of a form governed by public law provided that such bodies have insurance or reinsurance operations as their object, under conditions equivalent to those under which undertakings governed by private law operate |  No |   |   |   |   |
| Article 21(1), sub-paragraph 2 | Policy conditions and scales of premiums | Option to require in life insurance systematic notification of the technical bases used for calculating scales of premiums and technical provisions for the purpose of verifying compliance with actuarial principles |  No |   |   |   |   |
| Article 21(3) | Policy conditions and scales of premiums | Option to subject undertakings seeking or having obtained authorisation for assistance activity to checks on their resources in staff and equipment | Yes |  L | Insurance and Reinsurance Law Article 22 (3) | [Insurance and Reinsurance Law LV](https://likumi.lv/ta/id/274969)  |  The insurance company wishing to obtain a licence for assistance insurance shall submit information to Latvijas Banka about the funds available at its disposal and about concluded contracts, which provide for the provision of assistance to the insured under the obligations assumed by it in this class of insurance. |
| Article 21(4) | Policy conditions and scales of premiums | Option to require approval of the memorandum and articles of association or any other documents necessary for normal supervision |  Yes |  R | The Financial and Capital Market Commission 2020.09.29. Regulation No.179 "The procedure for submitting information and documents for obtaining insurance or reinsurance licenses, permits and approvals regulating the activities of individual insurers or reinsurers, and for providing information and notifications" Art 6.1. and Art 6.2.  | [Kārtība, kādā iesniedzama informācija un dokumenti apdrošināšanas vai pārapdrošināšanas licenču, atsevišķu apdrošinātāju vai pārapdrošinātāju darbību reglamentējošo atļauju un saskaņojumu saņemšanai un informācijas un paziņojumu sniegšanai (likumi.lv)](https://likumi.lv/ta/id/317788-kartiba-kada-iesniedzama-informacija-un-dokumenti-apdrosinasanas-vai-parapdrosinasanas-licencu-atsevisku-apdrosinataju) |  |
| Article 51(2), sub-paragraph 3 | Report on solvency and financial condition: contents | Option allowing to exempt during a transitional period, (re) insurance undertakings from the requirement concerning the separate disclosure of the capital add-on or the impact of the use of undertaking-specific parameters where their use is required by the supervisory authority |  No |   |   |   |   |
| Article 57(1) | Acquisitions | Where Member States apply a threshold of one third for the notification to supervisory authorities of acquisitions in accordance with Directive 2004/109/EC, option to continue to apply that threshold, instead of a threshold of 30 %. |  Yes |  L | Insurance and Reinsurance Law Article 76 (2)  |  [Insurance and Reinsurance Law LV](https://likumi.lv/ta/id/274969) |  If a person wishes to increase its qualifying holding up to or exceeding 20, 33 or 50 per cent of the share capital or of the shares carrying voting rights of an insurance or reinsurance company, or if the insurance or reinsurance company becomes a subsidiary of that person, that person shall notify Latvijas Banka of that in writing in advance. |
| Article 57(2) | Acquisitions | Where Member States apply a threshold of one third for the notification to supervisory authorities of disposals in accordance with Directive 2004/109/EC, option to continue to apply that threshold, instead of a threshold of 30 %. |  Yes |  L | Insurance and Reinsurance Law Article 78 (2)   |  [Insurance and Reinsurance Law LV](https://likumi.lv/ta/id/274969) | If the person wishes to reduce its qualifying holding below 20, 33 or 50 per cent of the share capital or of the shares carrying voting rights of the insurance or reinsurance company, or the insurance or reinsurance company ceases to be the subsidiary company of that person, it shall notify of such a decision in writing in advance, by submitting an application to Latvijas Banka. |
| Article 73(2) | Pursuit of life and non-life insurance activity | Option to allow the following: (i) life insurance undertakings to obtain authorisation for non-life insurance activity for accident and sickness risks; (ii) non-life undertakings authorised solely for writing accident and sickness risks to obtain authorisation to pursue life insurance activity.  |  Yes |  L  | Insurance and Reinsurance Law Article 16 (2)    | [Insurance and Reinsurance Law LV](https://likumi.lv/ta/id/274969) |  The provision laid down in Paragraph one hereof shall not limit an insurance company which:(1) has obtained the licence for pursuing life insurance to request and obtain the licence for pursuing accident and health insurance;2) has obtained the licence for pursuing accident and health insurance to request and obtain the licence for pursuing life insurance. |
| First sentence of paragraph 3 of Article 73 | Pursuit of life and non-life insurance activity | Option allowing to provide for compliance of the undertakings referred to in Article 73(2) with accounting rules governing life insurance undertakings for all of their activities |  No |   |   |   |   |
| Second sentence of paragraph 3 of Article 73 | Pursuit of life and non-life insurance activity | Option allowing within a winding-up procedure to apply the rules for life insurance activities to accident and sickness activities pursued by the undertakings under Article 73(2) |  No |   |   |   |   |
| Article 73(5), sub-paragraph 2 | Pursuit of life and non-life insurance activity | Option allowing to require putting an end to the simultaneous pursuit of life and non-life activities within a certain period | No |   |   |   |   |
| Article 77d(1) | Volatility adjustment to the relevant risk- free interest rate term structure | Option allowing to require prior approval by the supervisory authority to apply the volatility adjustment to the risk-free interest rate term structure to calculate the best estimate referred to in Article 77(2) |  No |   |   |   |   |
| Article 148(2) | Notification by the home Member State | Option to require non-life insurance undertakings covering motor vehicle liability risks under the freedom to provide services to submit certain information |  Yes |  L  | Insurance and Reinsurance Law Article 157 (3)     | [Insurance and Reinsurance Law LV](https://likumi.lv/ta/id/274969) |  If the insurance company intends to pursue motor vehicle owner compulsory third party insurance, it shall additionally specify in the application:1) the information about the representative of the insurance company authorised to adopt decisions to disburse insurance indemnities, and the address thereof in the Member State;2) particulars of the representative of the insurance company set out in Section 159 of this Law and the address thereof in the Member State;3) confirmation that the insurance company is a member of the Vehicle Bureau or an analogous organisation in the Member State and the member of the relevant guarantee fund. |
| Article 150(3) | Compulsory insurance on third party motor vehicle liability | Option for the host Member State to require insurance undertakings providing services to comply with rules concerning covering aggravated risks provided that they apply to non-life insurance undertakings |  No |   |   |   |   |
| Article 152(4) | Representative | Option allowing to approve a claims representative appointed according to Article 4 of Directive 2000/26/EC as a representative under Article 152(1) |  Yes |  L | Insurance and Reinsurance Law Article 159 (4)     |  [Insurance and Reinsurance Law LV](https://likumi.lv/ta/id/274969) |  Where the Member State non-life insurance company has not appointed a representative, it shall be considered that the duties of the representative shall be performed by the representative of the administration of claims appointed under the laws and regulations regulating the motor vehicle third party compulsory liability insurance. |
| Article 163(3) | Scheme of operations of the branch | Option allowing to require from insurance undertakings to submit systematic notification of the technical basis used for calculating premiums and technical provisions in regard to life insurance |  No |   |   |   |   |
| Article 169(2) | Separation of non- life and life business | Option allowing composite branches to pursue life and non-life insurance activities provided that each of the activities is separately managed | No |   |   |   |   |
| Article 169(3), sub-paragraph 2 | Separation of non- life and life business | Option regarding branches which on the dates referred to in the first sub paragraph of Article 73(5) pursed solely life insurance activity within the Member State, but which head office situated outside of the community simultaneously pursues life and non-life activities and subsequently wishes to pursue non-life insurance activity in that Member State. | No |   |   |   |   |
| Article 179(4), sub-paragraph 2 | Related obligations | Option allowing to require the issue of a declaration that an insurance contract complies with specific provisions relating to compulsory non- life insurance |  No |   |   |   |   |
| Article 181(1), sub-paragraph 2 | Non-life insurance | Option to require non-systematic notification of policy conditions and other documents to verify compliance with national provisions concerning insurance contracts |  No |   |   |   |   |
| Article 181(2), sub-paragraph 1 | Non-life insurance | Option allowing to require communication of the general and specific conditions of compulsory insurance to the supervisory authority before circulating them |  No |   |   |   |   |
| Article 182, sub-paragraph 2 | Life insurance | Option allowing to require systematic communication of the technical bases used for calculating scales of premiums and technical provisions to verify compliance with actuarial principles |  No |   |   |   |   |
| Article 184(2), sub-paragraph 2 | Additional information in the case of non-life insurance offered under the right of establishment or the freedom to provide services | Option to require for the name and address of the representative of a non-life insurance undertaking to appear in an insurance contract or other document granting cover |  No |   |   |   |   |
| Article 185(7) | Information for policy holders | Option allowing to require the provision of additional information to ensure that policyholders understand the essential elements of the life insurance commitment |  No |   |   |   |   |
| Article 186(2) | Cancellation period | Option allowing to not apply a cancellation period for policy holders in specific cases |  Yes |  L | The Insurance Contract Law Article 36 (5)  | [Apdrošināšanas līguma likums (likumi.lv)](https://m.likumi.lv/ta/id/299053-apdrosinasanas-liguma-likums) |  The provisions of Paragraph four of this Section shall not apply to life insurance contracts with accumulation of funds if insurance period is shorter than six months. |
| Article 189 | Participation in national guarantee schemes | Option allowing to require compulsory participation of non-life insurance undertakings in host Member State guarantee schemes |  Yes |  L | Insurance and Reinsurance Law Article 287 (1), (4), (5)     | [Insurance and Reinsurance Law LV](https://likumi.lv/ta/id/274969) |  (1) The funds of the Protection Fund for the Insured shall be made up from the contributions of the members thereof in the amount of 0.1 per cent of the sum total of their gross insurance premiums received from natural persons for the classes of insurance referred to in Section 19, Paragraph one, Clauses 1, 2, 3, 8, 9, 10, 13 and 18 and Paragraph two, Clauses 1, 2, 4, 5, 6 and 7 of this Law.(4) The provisions of Paragraph one hereof shall not be binding on the branches of Member State or non-Member State insurers, if the laws and regulations of these countries provide for the protection of the insured in the branches thereof abroad (as well as in the Republic of Latvia) and cover all the cases provided for in this Law, and the guaranteed insurance indemnity is not lower than that provided for in this Law.(5) The provisions of Paragraph one hereof shall not be binding on the Member State insurer if the laws and regulations of the home country of the Member State insurer provide for the protection of the insured in foreign countries (as well as in the Republic of Latvia), in which it provides insurance services under the freedom to provide services principle and cover all the cases provided for in this Law, and the guaranteed insurance indemnity is not lower than that provided for in this Law. |
| Article 197, sub-paragraph 1 | Activities similar to tourist assistance | Option allowing to provide for assistance to persons in difficulties in circumstances other than those laid down in Article 2(2) |  No |   |   |   |   |
| Article 198(2)(c) | Scope of this section | Option allowing to not apply the requirements for legal expenses insurance to the activity of legal expenses insurance undertaken by an assistance insurer under specific circumstances |  Yes |  L | Insurance and Reinsurance Law Article 191 (2) point 3(b)  | [Insurance and Reinsurance Law LV](https://likumi.lv/ta/id/274969) |  3) legal expenses insurance carried out by the insurer within the scope of assistance insurance, which meets the following conditions:b) the activity is part of the agreement relating only to assistance provided to persons who have encountered difficulties while travelling, while away from their homes or from their permanent places of residence. |
| Article 199 | Separate contracts | Option allowing to request an explicit specification of the amount of the premium for legal expenses within the relevant contract |  Yes |  L | Insurance and Reinsurance Law Article 193 (1) point 1  | [Insurance and Reinsurance Law LV](https://likumi.lv/ta/id/274969) |  In insuring legal expenses, the insurance contract shall provide for the following:1) separate presentation of the insured risk and insurance premiums if the insurer insures the risk of legal expenses insurance along with another insurance risk; |
| Article 200(1), sub-paragraph 1 | Management of claims | Option allowing to choose between three methods for the management of claims |  No |   |   |   |   |
| Article 200(3), sub-paragraph 2 | Management of claims | Option allowing to extend the prohibition on simultaneous pursuit of the same or similar activity in a linked insurance undertaking to members of the administrative, management or supervisory body of the legal expenses insurance undertaking |  No |   |   |   |   |
| Article 202(1) | Exception to the free choice of lawyer | Option allowing the exemption from the free choice of lawyer rule in legal expenses insurance subject to certain conditions |  Yes |  L | Insurance and Reinsurance Law Article 193 (3)  | [Insurance and Reinsurance Law LV](https://likumi.lv/ta/id/274969) |  Paragraph one, Clause 2 hereof shall not apply if:1) insurance applies only in cases related to the use of motor vehicles in the territory of the Republic of Latvia;2) insurance applies to the provision of assistance in the event of accidents or damage in which a motor vehicle has been involved. |
| Article 206(1) | Health insurance as an alternative to social security | Option allowing to require: (a) compliance of health insurance contracts with specific legal provisions to protect the general good in the class of sickness insurance; and (b) communication to the supervisory authorities of the general and specific conditions of sickness insurance |  No |   |   |   |   |
| Article 206(2), sub-paragraph 1 | Health insurance as an alternative to social security | Option allowing to require the operation of an alternative health insurance system on a technical basis similar to that of life insurance subject to specific conditions |  No |   |   |   |   |
| Article 207 | Compulsory insurance against accidents at work | Option allowing to require compliance of undertakings offering compulsory insurance against accidents at work with specific provisions of national law of the host Member State |  No |   |   |   |   |
| Article 216(1), sub-paragraph 1 | Ultimate parent undertaking at national level | Option allowing for supervisory discretion to apply group supervision to an ultimate parent undertaking at national level |  Yes |  L | Insurance and Reinsurance Law Article 201 (1)  | [Insurance and Reinsurance Law LV](https://likumi.lv/ta/id/274969) |  Section 201. (1) If the ultimate parent company set out in Section 200 of this Law of a participating insurance or reinsurance company or an insurance holding company or a mixed financial holding company registered in a Member State referred to in Section 197, Paragraph one, Clauses 1 and 2 of this Law is situated in another Member State, Latvijas Banka, having consulted the group supervisory authority and the said ultimate parent company, within the circumstances set out in EU Regulation No. 2015/35, may adopt the decision to extend group supervision to the ultimate insurance or reinsurance parent company or insurance holding company or mixed financial holding company registered in the Republic of Latvia. |
| Article 225, sub-paragraph 2 | Related insurance and reinsurance undertakings | Option allowing to require taking into account the Solvency Capital Requirements and the eligible own funds in respect of related undertakings with a head office in another Member State, as laid down in that Member State, for the purposes of the group solvency calculation |  Yes |  R | The Financial and Capital Market Commission 2020.12.22. Regulation No.250 "Regulations on the group solvency calculation for insurers and reinsurers" Art 33.  | [Apdrošināšanas vai pārapdrošināšanas sabiedrības grupas maksātspējas aprēķina normatīvie noteikumi (likumi.lv)](https://m.likumi.lv/ta/id/320112-apdrosinasanas-vai-parapdrosinasanas-sabiedribas-grupas-maksatspejas-aprekina-normativie-noteikumi) |   |
| Article 227(1), sub-paragraph 2 | Related third-country insurance and reinsurance undertakings | Option allowing to require taking into account the Solvency Capital Requirements and the eligible own funds in respect of related undertakings with a head office in an equivalent solvency regime third country, as laid down in that third country |  Yes | R | The Financial and Capital Market Commission 2020.12.22. Regulation No.250 "Regulations on the group solvency calculation for insurers and reinsurers" Art 39  | [Apdrošināšanas vai pārapdrošināšanas sabiedrības grupas maksātspējas aprēķina normatīvie noteikumi (likumi.lv)](https://m.likumi.lv/ta/id/320112-apdrosinasanas-vai-parapdrosinasanas-sabiedribas-grupas-maksatspejas-aprekina-normativie-noteikumi) |   |
| Article 275(1) | Treatment of insurance claims | Option to choose between two methods or a combination thereof to ensure that insurance claims take precedence over other claims against an insurance undertaking |  Yes |  L | Insurance and Reinsurance Law Article 265 | [Insurance and Reinsurance Law LV](https://likumi.lv/ta/id/274969) |  After the covering of the expenses of the insolvency proceedings, the remaining cash shall be allocated to settle the claims lodged by secured and other creditors in the following categories:1) the claims of policyholders (the insured) for the payment of insurance indemnities in other claims (insurance premiums) for the concluded insurance contracts, the claim of the Commission, if the policyholder (a natural person) has received the insurance indemnity from the Protection Fund for the Insured;2) claims of creditors under Section 18, Paragraphs two, three and four of the Insolvency Law;3) claims for interest payments to creditors;4) claims of the creditors who have lodged their claims after the prescribed time limit;5) claims for the repayment of the subordinated obligations;6) the claims of the shareholders or members of the insurance company pro-rated to the contribution of the shareholders or members into the share capital of the insurance company shall be satisfied after the settlement of all the claims listed above herein. |
| Article 275(2) | Treatment of insurance claims | Option to provide for the precedence of expenses arising from winding-up procedures over insurance claims wholly or in part |  Yes |  L | Insurance and Reinsurance Law Article 266(1)  | [Insurance and Reinsurance Law LV](https://likumi.lv/ta/id/274969) |  Preferential claims are insurance premiums paid by policyholders in advance and the claims specified in Section 265, Clauses 1, 2 and 3 of this Law. |
| Article 276(2), sub-paragraph 2 | Special register | Option to require a single register to be kept by insurance undertakings covering life and accident and sickness risks |  No |   |   |   |   |
| Article 277 | Subrogation to a guarantee scheme | Option to provide for the non-application of Article 275(1) to claims by insurance creditors where they have been subrogated to a national guarantee scheme |  No |   |   |   |   |
| Article 279(2), sub-paragraph 2 | Withdrawal of the authorisation | Option to provide that the pursuit of some activities during winding-up proceedings are subject to the consent and the supervision of the supervisory authority of the home Member State |  No |   |   |   |   |
| Article 304(1) | Duration-based equity risk sub-module | Option to authorise life insurance undertakings to apply a duration-based equity risk sub-module under certain conditions |  No |   |   |   |   |
| Article 305(1) | Derogations and abolition of restrictive measures | Option allowing for the granting of exemptions of non-life undertakings with certain maximum premium income which did not meet solvency requirements on 31 January 1975 from the requirement to establish a minimum guarantee fund |  No |   |   |   |   |
| Article 308b(15) | Transitional measures | Option allowing to continue to apply the laws, regulations and administrative provisions that have been adopted with a view to complying with Articles 1 to 19, 27 to 30, 32 to 35 and 37 to 67 of Directive 2002/83/EC until 31 December 2019 |  No |   |   |   |   |
| Article 308b(16) | Transitional measures | Option allowing the ultimate parent insurance or reinsurance undertaking, during a period until 31 March 2022, to apply for the approval of an internal group model applicable to a part of a group |  No |   |   |   |   |

(1)  Text of law (L), regulation (R), administrative rule (A).