

REPUBLIC OF LITHUANIA

Law amending the Law on Insurance (Articles 2, 7, 11, 17, 22, 27, 28, 29, 31, 37, 39, 42, 43, 45, 46, 47, 60, 63, 66)

**(date) No
Vilnius**

(Official Gazette No 73-1742, No 67-1652, No 104-2623)

Article 1. To amend point 5 of Article 2 to read as follows:

“5) **the beneficiary** is a person specified in an insurance contract by the insured or appointed by the covered person, who shall acquire the right to receive an insurance benefit under the conditions established in an insurance contract;”

Article 2. To amend paragraph 2 of Article 7 to read as follows:

“2. In the cases and manner specified in an insurance contract, the insured and the covered person shall have the right to appoint and replace persons entitled to receive the insurance benefit under a contract of insurance”.

Article 3. To amend point 1 of paragraph 2 of Article 11 to read as follows:

“1) acquaint the insured with the rules of the certain type of insurance and issue an insurance certificate (policy) and, at the request of the insured, the rules governing such insurance;”

Article 4. To amend point 1 of paragraph 1 of Article 17 to read as follows:

“1) if the insurance event occurred through the fault (intent) of the insured or the covered person, except in cases related with the discharge of civic duties or the protection of life, health, honour and dignity;”

Article 5. To amend Article 22 to read as follows

To amend point 1 of paragraph 2 of this Article to read as follows:

“1) in the case of non-life insurance - premiums for the remaining period of duration of the insurance contract;

2. To amend point 1 of paragraph 5 of this Article

“1) in the case of non-life insurance, the paid-in premiums;

3. To amend point 5 of paragraph 7 of this Article to read as follows:

“5) if the covered person dies (unless the insurance contract provides otherwise);

4. To supplement Article 22 with the following paragraph 7:

“7. The insured who is a natural person shall have the right to terminate life insurance contract of his own accord, having informed of it (**whom ??- translator’s note**) in writing within 30 days after the conclusion of such contract. In this event the insured shall be refunded the insurance premium paid, without deducting expenses related to the drawing up and execution of such contract.”

5. To consider former paragraphs 7 and 8 of Article 22 as paragraphs 8 and 9.

Article 6. To amend paragraph 2 of Article 27 to read as follows:

“ 2. A foreign insurance company may be the founder of an insurance company or a branch of an insurance company in the Republic of Lithuania if:

1) it possesses a licence to engage in insurance business, issued by the foreign state within whose jurisdiction it lies;

2) has obtained an authorisation from the insurance companies supervisory authority of the country within whose jurisdiction it lies to set up an insurance company or a branch in the Republic of Lithuania;

3) produce the certificate issued by the insurance companies supervisory authority of the country within whose jurisdiction it lies to the effect that the insurance companies of the Republic of Lithuania may engage in insurance activities in the country in which the foreign insurance company has its headquarters, provided that foreign country is not a member of the World Trade Organisation.”

Article 7. To amend paragraph 4 of Article 28 to read as follows:

“4. Upon the registration of the insurance company, the balance of the organisational fund must be allocated to the mandatory reserve.”

Article 8. To amend paragraph 3 of Article 29 to read as follows

“3. Paragraphs 1, 6 - 10 and 12 of Article 10 of the Company Law and the provisions of paragraph 1, 3 and 4 of Article 28 of this Law shall apply to a functioning company whose general shareholders’ meeting has adopted a resolution to reorganise it into an insurance company, whereupon it may apply to the Board of Supervisory Authority for the issue of a licence to engage in insurance business”.

Article 9. To amend point 7 of paragraph 3 of Article 31 to read as follows :

“7) certificate issued by the institution exercising supervision over the insurance companies in the foreign country within whose jurisdiction the foreign insurance company comes authorising insurance companies of the Republic of Lithuania to engage in insurance business in the country where the foreign insurance company has its headquarters, provided that foreign country is not a member of the World Trade Organisation;”

Article 10. To amend Article 37 to read as follows:

1. “3. Upon transferring the insurance (reinsurance) contracts to another insurance company and upon obtaining the licence issued by the Board of Supervisory Authority , an insurance company may commence its voluntary liquidation only in accordance with the procedure laid down in this Law.
2. To consider the former paragraph 3 as paragraph 4.