

DECISION

Národná banka Slovenska, as the competent supervisory authority under Section 79(1) and (2), Section 16(5) and Section 17(7) of Act No 39/2015 on insurance (and amending certain laws), as amended (hereinafter 'Act No 39/2015') — with its Financial Market Supervision Unit / Supervision and Financial Consumer Protection Division being the competent body for conducting proceedings and taking decisions of the first instance pursuant to Section 1(2) and (3)(a), in conjunction with Section 5(1) and (2), Section 16(1) and (2) and Section 29(1), of Act No 747/2004 on financial market supervision (and amending certain laws), as amended (hereinafter 'Act No 747/2004') — (hereinafter 'Národná banka Slovenska' or 'the supervisory authority')

has decided,

in the proceedings brought against **NOVIS Insurance Company, NOVIS Versicherungsgesellschaft, NOVIS Compagnia di Assicurazioni, NOVIS Poist'ovňa, a.s.** – whose company registration number (IČO) is 47 251 301 and which has its registered office at Námestie Ľudovíta Štúra 2, 811 02 Bratislava and is registered in the Commercial Register maintained by Bratislava I District Court (Section: Sa; File number: 5851/B) (hereinafter 'the party to proceedings' or 'the party') initiated by the supervisory authority's Decision on an interim measure of 9 September 2020 (document number 100-000-249-678; file number NBS1-000-053-337) for shortcomings in the party's activities which the supervisory authority has demonstrated on the basis of facts established during its on-site inspection of the party conducted from 6 March 2020 to 19 January 2021 (recorded under file number NBS1-000-048-009) and on the basis of evidence established during these sanction proceedings (recorded under file number NBS1-000-053-337), as follows:

I.

The party, in its conduct of insurance business from 31 December 2019 to 31 August 2020, did not proceed prudently – i.e. in a manner which takes into account and mitigates the party's risk exposure and which is not detrimental to its policyholders' interests – in that:

by its actions, the total value of the assets invested by the party

in accordance with the statutes of the insurance funds under the party's management and constituting part of the contractual relationships under insurance contracts which require the investment of any part of the received premiums in accordance with the statutes of the insurance funds under the party's management and which the party concluded with policyholders either under authorisation number ODT-13166/2012-16, granted to the party by the supervisory authority with effect from 7 October 2013, or in accordance with Section 15 of Act No 39/2015, through the establishment of a branch in the territory of another Member State of the European Union (EU), or in accordance with Section 17 of Act 39/2015, under the freedom to provide services in another EU Member State without establishing a branch (hereinafter 'insurance contracts' or, if referred to in the singular, an 'insurance contract'),

excluding the party's assets for which no insurance fund statutes were established and which in its insurance contracts concluded in Hungary constituted the part designated by the party as 'Díjtartalék' (in Hungarian),

(hereinafter 'the value of investments' or 'the value of invested assets')

was lower than

the aggregate outstanding balance of insurance accounts which are **held by policyholders** with whom the party has concluded an insurance contract and which also have a positive balance, excluding loyalty bonuses and otherwise designated bonuses which under the insurance contracts do not constitute part of the outstanding balance of insurance contracts (hereinafter 'loyalty bonuses') and excluding Díjtartalék

(hereinafter the 'outstanding balance of insurance accounts'),

notwithstanding that the party was obliged to invest assets to the extent of policyholders' outstanding balance of insurance accounts;

and the party thereby breached Section 23(3)(a) and (b) of Act No 39/2015, committing an administrative delict for which the supervisory authority, acting in accordance with Section 139(11) of Act No 39/2015, **orders the party,**

1. in accordance with Section 139(1)(a) of Act No 39/2015, to eliminate and remedy the identified shortcoming by requiring it:

a) XXX;

b) to ensure that, as from the party's receipt of this Decision, all premiums received by the party under insurance contracts are invested in a minimum amount and a manner pursuant to the party's contractual obligation – arising under insurance contracts with individual policyholders, including general insurance terms and conditions and the statutes of the insurance funds under the party's management – to invest assets in the amount of the outstanding balance of insurance accounts;

and simultaneously,

2. XXX

II.

Národná banka Slovenska, in accordance with Section 25(3) of Act No 747/2004, on its own initiative hereby **revokes** Decision on an interim measure of 9 September 2020, issued against the party and recorded under document number 100-000-249-678 and file number NBS1-000-053-337 (hereinafter 'the Interim Measure'), as amended by Decision of the Bank Board of Národná banka Slovenska of 11 February 2021, recorded under document 100-000-273-424 and file number NBS1-000-054-940, on the grounds that, by virtue of the issuance of this Decision, the reasons for the issuance of the Interim Measure have ceased to exist.

(Hereinafter 'the Decision'.)