

(only the Italian version is authentic)

THE PRESIDENT OF THE REPUBLIC

Having regard to decree-law no. 95 of 6 July 2012, converted, after amendment, by law no. 135 of 7 August 2012, containing urgent measures for reviewing public spending with unchanged services for citizens and measures to strengthen the capital of undertakings in the banking sector, and in particular art. 13 containing the establishment of the Institution for the supervision of insurance – IVASS;

Having regard to the resolution of the Directorate of the Bank of Italy no. 709 of 31 October 2012;

Having regard to the resolution of the Council of Ministers, adopted in the meeting of 9 November 2012;

Acting on a proposal by the President of the Council of Ministers in agreement with the Ministry of Economic Development;

DECREES:

Art. 1

1. The Statute of the Institution for the supervision of insurance – IVASS, which is annexed to this decree and forms an integral part of it, is approved in the wording adopted by the Directorate of the Bank of Italy.

2. The Statute referred to in paragraph 1 shall enter into force on 1 January 2013, as provided in art. 15 of the Statute itself.

This decree, subject to registration by the State Audit Court, will be published in the Official Gazette of the Italian Republic.

STATUTE

ARTICLE 1 (The Institute)

1. Istituto per la Vigilanza sulle Assicurazioni (IVASS), established under law no. 135 of 7 August 2012 ratifying, with amendments, decree-law no. 95 of 6 July 2012, shall be a legal person governed by public law and have its registered office in Rome.
2. IVASS shall perform the functions assigned to it in accordance with the law and European regulations.
3. In performing their functions, IVASS and the members of its bodies shall act autonomously and independently, in observance of the principles of transparency and cost-effectiveness, and may not seek, receive or accept instructions or directions from any other public or private-sector entities.
4. By June each year IVASS shall submit a report to the Parliament and the Government on the activity performed in the previous year.

ARTICLE 2 (Bodies)

The bodies of IVASS are:

- a) the President;
- b) the Board of Directors;
- c) the Joint Directorate.

ARTICLE 3 (The President)

1. The President of IVASS shall be the Director General of the Bank of Italy.
2. The President:
 - a) shall represent IVASS vis-à-vis third parties in all acts and contracts and in legal actions;
 - b) shall promote and coordinate the activities of the Board of Directors and chair its meetings;
 - c) shall inform the Joint Directorate about the most important facts regarding the administration of IVASS.
3. The senior member of the Board of Directors in terms of appointment, and, if this is the same, of age, shall assist the President in the exercise of his/her duties and shall stand in for him/her in the event of his/her absence or inability to act, and his/her signature shall be full proof vis-à-vis third parties of the absence or inability to act.
4. In the event of simultaneous absence or inability to act of the President and the member of the Board of Directors referred to in the previous paragraph the second member of the Board of Directors shall stand in for them, and his/her signature shall be full proof vis-à-vis third parties of their absence or inability to act.

5. The President may delegate the signing of acts and the conclusion of contracts to staff of IVASS.

ARTICLE 4 (The Board of Directors)

1. The Board of Directors shall consist of the President and two members.
2. The members of the Board of Directors shall be chosen from among persons of unquestioned integrity, independence and high professional expertise in insurance matters. They shall be appointed by a decree of the President of the Republic upon a resolution by the Council of Ministers at the initiative of the President of the Council of Ministers, acting on a proposal from the Governor of the Bank of Italy and in agreement with the Minister of Economic Development.
3. Each of the two members of the Board of Directors shall be appointed for a term of office of six years, renewable once.

ARTICLE 5 (Functions of the Board of Directors)

1. Without prejudice to the functions assigned to the Joint Directorate as per art. 8, paragraph 1 of this Statute, the Board of Directors shall be charged with the general administration of IVASS. Going into details, the Board of Directors shall:

- a) adopt the organisational regulation and the other regulations governing the operation of IVASS;
- b) decide upon the legal and economic treatment of employees and adopt the relevant regulation;
- c) determine the staffing levels and appoint, assign, promote and dismiss employees;
- d) single out the needs that can be met through staff seconded by the Bank of Italy or other entities;
- e) should needs not be met either through employees or seconded staff, it shall decide in the way legally stipulated upon employing external expertise and services;
- f) assign the tasks of managerial level;
- g) approve agreements negotiated with trade unions;
- h) manage the fees from supervised entities;
- i) examine and approve the draft budget and annual accounts;
- l) decide upon the conclusion of agreements with the Bank of Italy for the use of the technological infrastructure of the latter and the identification of forms of collaboration between the two Institutes;
- m) implement the guidelines and acts of strategic direction adopted by the Joint Directorate;
- n) decide upon any issues that the Joint Directorate deems necessary to submit;
- o) carry out all the acts relating to the administration of IVASS which are not the responsibility of other bodies.

2. In the exercise of its functions, the Board of Directors pursues the goal of containing the costs for the operation of the Institute, including the optimization of human, financial

and technical resources, using tools for the management control and evaluation of performance.

3. Within the scope of its authority, the Board of Directors may grant mandates to individual Directors or managers of IVASS for the performance of activities or the adoption of measures that do not require discretionary assessments. The acts of delegation shall identify the object of the mandates, establish, where compatible with the nature of the act, the criteria for the exercise of the delegated powers and, if necessary, set their time limits. However, the resolutions referred to under letter a), b), h), i) and n) of paragraph 1 shall remain the sole responsibility of the Board of Directors.

4. Should a Secretary-General be appointed pursuant to article 8, paragraph 2, the Board of Directors may delegate to him/her administrative duties in addition to those already provided by the Joint Directorate.

ARTICLE 6 (Resolutions of the Board of Directors)

1. The President or his/her representative as per art. 3, paragraphs 3 and 4, shall convene the Board of Directors and set the agenda, whenever he/she considers this necessary or upon a motivated request from one of the other members of the Board of Directors, indicating the matters to be dealt with. The Board of Directors shall be called by all appropriate means to achieve the purpose, at least five days prior to the date of the meeting, except in cases of urgency.

2. The Board of Directors shall be duly constituted with the President and at least one Director present. Resolutions shall be adopted by majority vote; in the event of a tie, the President shall have the casting vote. The President may authorise that the Board of Directors be constituted with the sole presence of the two Directors, taking into account the agenda items. Minutes shall be kept of each meeting.

3. Every other rule of procedure for meetings shall be decided by the Board of Directors in an ad hoc resolution, which may also include cases where the meeting can take place by means of distance communication techniques, and the relevant procedures.

ARTICLE 7 (The Joint Directorate)

1. The Joint Directorate shall consist of the Governor of the Bank of Italy, who chairs it, the Director General of the Bank of Italy – President of IVASS, the three Deputy Directors General of the Bank of Italy and the two members of the Board of Directors referred to under art. 4, paragraph 2.

2. The Joint Directorate, which is a body of IVASS, shall be responsible only for the functions attributed to IVASS.

ARTICLE 8

(Functions of the Joint Directorate)

1. The Joint Directorate shall be responsible for setting guidelines and the strategic direction of IVASS, and shall have the power to take the acts of external importance relating to the performance of the institutional functions in matters of insurance supervision. The following points also fall within the jurisdiction of the Joint Directorate:

- a) approval of the annual report referred to in art. 1, paragraph 4 of this Statute;
- b) issuing of opinions, clearances and agreements and making of proposals within proceedings in the jurisdiction of other Authorities or public administrations;
- c) resolutions in respect of changes to this Statute;
- d) constitution and identification of the mandate, composition and functioning of Committees, Commissions or Colleges, as per article 10 below;
- e) adoption of measures for the secondment of employees to the Bank of Italy or other entities in better pursuit of IVASS' institutional aims and the assignment of special tasks to managers;
- f) appointment of the delegates to the European Insurance and Occupational Pensions Authority (EIOPA).

2. The Joint Directorate may appoint a Secretary General with tasks regarding the ordinary administration of IVASS and co-ordination of operational areas.

3. Within the scope of its authority, the Joint Directorate may grant mandates to the President, individual Directors, managers of IVASS or to the Committees, Commissions or Colleges set up in accordance with paragraph 1 letter d). The acts of delegation shall identify the object of the mandates and establish the criteria for the exercise of the delegated powers and, if necessary, set their time limits. The decisions taken by delegates must be brought to the knowledge of the Joint Directorate in the manner specified by the latter. However, the resolutions referred to in letters a), c) and f) of paragraph 1 and the adoption of elements of law relating to the exercise of institutional functions shall remain the sole responsibility of the Joint Directorate.

ARTICLE 9

(Resolutions of the Joint Directorate)

1. The Governor of the Bank of Italy or, in case of his/her absence or impediment, the President, shall convene the Board of Directors, and set the agenda, whenever he/she considers this necessary or upon a motivated request from one of the other members of the Board of Directors indicating the matters to be dealt with. The Joint Directorate shall meet at least once every month.

2. The meetings of the Joint Directorate shall be chaired by the Governor of the Bank of Italy or, in the event of his/her absence or inability to act, the President. In the event of their simultaneous absence or inability to act the senior member among the members of the Joint Directorate present in terms of appointment, and, if this is the same, of age, shall chair the meeting.

3. The Joint Directorate shall be duly constituted with four members present, including at least one of the two members of the Board of Directors referred to under art. 4, paragraph 2. Resolutions shall be adopted by majority vote of the members present. In

the event of a tie, the Chair shall have the casting vote. Minutes shall be kept of each meeting.

4. Every other rule of procedure for meetings shall be decided by the Joint Directorate in an ad hoc resolution.

5. In cases of necessity and as a matter of urgency, measures falling within the province of the Joint Directorate may be adopted by the President or by the person who stands in for him/her as provided for in article 3, paragraphs 3 and 4. Such measures shall be ratified by the Joint Directorate at the first possible meeting.

6. Measures adopted by the Joint Directorate shall be issued in an act signed by the Chair, as provided for in paragraph 2.

ARTICLE 10 **(Committees, Commissions and Colleges)**

1. Ad hoc Committees, Commissions or Colleges may be established; they may be attributed advisory, investigating or coordinating functions, as well as deliberative functions on matters delegated to them by the Joint Directorate within its competences.

2. Not only individual members of the bodies of IVASS and its staff can be called upon to take part in the bodies referred to in paragraph 1, but also other public employees, both in service and retired, chosen on the basis of their expertise in relation to the matters to be dealt with.

ARTICLE 11 **(Incompatibility, obligations and duties)**

1. Those who hold political office, even if not elected or representative, may not be members of the bodies of IVASS, and all persons having a conflict of interest with IVASS in view of their personal situation or posts held.

2. Neither the members of the Joint Directorate nor any employee of IVASS may perform activities in the interest of insurance undertakings or other entities subject to supervision, engage in commerce, be a director, agent or member of the board of auditors of any company, participate in a general partnership, or, as a general partner, in a limited partnership.

3. The Board of Directors may nevertheless allow employees to perform some of the functions referred to under the previous paragraph, where this is recognized to be in the interest of IVASS.

4. Without prejudice to the prohibitions on disclosure under the law, members of the bodies of IVASS as well as all employees shall be required to observe strict confidentiality with regard to all information acquired in the performance of their duties and functions.

ARTICLE 12 **(Code of conduct)**

1. The Joint Directorate shall adopt a code of conduct for the members of IVASS' bodies and one for IVASS' employees, based on the following principles: preserve the

independence and impartiality of the conduct of those who act for the Institute, avoid conflicts of interest also after the termination of the employment relationship or the interruption of the assignment at the Institute, protect the confidentiality of processed information.

2. The Joint Directorate shall appoint a Committee, chaired by an external person of unquestioned morality and independence, with the task of supervising the correct application of the codes of conduct and delivering opinions on specific cases brought to its attention.

ARTICLE 13

(Advice and representation in court)

1. Legal advice and representation and defence before any jurisdiction shall be conferred upon internal lawyers, in accordance with the principles of the law regulating the profession.

2. IVASS may, upon a resolution by the Board of Directors, be represented before the courts through Avvocatura dello Stato (the State Legal Advisory Office).

ARTICLE 14

(Annual accounts and audit)

1. The financial year of IVASS shall run from 1 January until 31 December of each year. The budget and a set of annual accounts must be prepared each year.

2. The financial budget must be approved by the Directorate by 31 December of the year preceding that to which the budget refers.

3. The annual accounts shall comprise the balance sheet, income statement, financial statements and the notes on the accounts. They must be approved by the Board of Directors by 31 March of the year following each financial year.

4. The financial budget and the annual accounts shall be subject to control by the State Audit Court pursuant to art. 4 of law no. 576 of 12 August 1982, as amended by article 351, paragraph 1 of legislative Decree no. 209 of 7 September 2005.

5. The annual accounts of the Institute shall be audited by external auditors appointed, for the Bank of Italy, in accordance with article 27 of the Statute of the ESCB.

ARTICLE 15

(Transitional and final provisions)

1. This Statute shall enter into force on 1 January 2013.

2. The first financial budget must be approved by the Board of Directors by 31 March 2013. In the first quarter of 2013 IVASS shall base its spending decisions on financial resources amounting to one quarter of those approved with the budget of ISVAP for financial year 2012.