



The Financial Supervisory Authority, which is the competent supervisory authority of the non-banking market in Romania, issued the Decision no. 2034/27.08.2015 regarding the closing of the financial recovery proceedings of ASTRA insurance undertaking. Following the publishing of the abovementioned decision on 31.08.2015, the insurance undertaking ASTRA is ordered, according to the law, to hand over to the Policyholder Guarantee Fund all the complete records of the claim files and the technical-operational records and accounting records for these files, which comprise all contracts in force, any claim files previously opened by the insurance undertaking, as well as any documents relating to these contracts and claim files.

The Romanian Policyholder Guarantee Fund is established by Law no. 213/2015 regarding the Policyholder Guarantee Fund as a legal person of public law, with the purpose of protecting insurance creditors from the consequences of any insurer's insolvency. Following the reception of the complete records of claim files and technical-operational records and accounting records for these files, the specialized offices of the Guarantee Fund shall analyze said records and shall publish, on its own website, the list of potential creditors that may benefit from payment of claims/indemnities from the available assets of the Guarantee Fund. According to the law, the following persons are **insurance creditors**, as appropriate:

1. *policyholder* – means any natural or legal person having legal relationships with the debtor insurer through the conclusion of the insurance contract;
2. *insurance beneficiary* – means any third party to whom, under the law or the insurance contract, the debtor insurer shall pay the amounts due as result of the occurrence of the insured risk;
3. *injured party* (in the case of the insurance against civil liability) – means any person entitled to compensation in respect of any injury caused as a result of the occurrence of a risk covered by a contract of civil-liability insurance.

Foreign insurance clients are expected to turn to the Policyholder Guarantee Fund in Romania. In this matter, we provide the following situation:

1. The **request for payment** may be submitted by any person who invokes a claim right against the insurance undertaking. The request for payment may be submitted starting on the publishing date of the decision to close the financial recovery and up to 90 days from the date the Court order regarding the opening of the bankruptcy proceedings becomes final and binding. For claims rights born after the date the Court order regarding the opening of the bankruptcy proceedings becomes final and binding, the payment request may be submitted within 90 days from the date the claims right was born. At the moment of submission of the payment request to the Guarantee Fund, which can be done directly at the headquarter of the Fund or through mail services, with confirmation receipt, and electronic mail, the claimant is required to attach supporting documents, as certified copies, attesting clearly to the claimed amounts. The request for payment is a standardized form which can be found and downloaded from the website of the Guarantee Fund, www.fgaromania.ro, section „ASTRA S.A. information”, subsection 4 „The Policyholders Guarantee Fund forms” – Annex no. 6. The claimant must also fill and submit the Declaration on the word of honour, which is Annex no. 7. In compliance with provisions of Law no. 213/2015 regarding the Policyholder Guarantee Fund, the request for opening a claim file, as well as supporting documents, must be submitted in Romanian language or, if written in a foreign language, accompanied by their authorized translations.

For the purpose of making payments of claims/indemnities due to insurance creditors, the Guarantee Fund shall analyze the claim files and insurance claims registered in its records, having regard to the rules applicable in the field and the general and specific insurance terms provided in the insurance contracts concluded with the insolvent insurer.

All claim files analyzed by the specialized offices of the Guarantee Fund, and approved for payment by the Special Commission established in accordance with the law, are to be paid within the guarantee threshold provided in art. 15 para (2) of Law no. 213/2015, meaning **RON 450.000 per insurance creditor**.

According to the law, the Guarantee Fund is entitled to make payments to insurance creditors after the date the Court order regarding the opening of the bankruptcy proceedings becomes final and binding.

We inform you that insurance creditors may separately follow the bankruptcy proceedings of the insurer, provided by Law no. 85/2014 on insolvency prevention and insolvency procedures in order to recover their claims from the assets of the bankrupt insurer, including the amount owed which exceeds the abovementioned guarantee threshold.

In accordance with art. 330 par. (3) of Law no. 85/2014 on insolvency prevention and insolvency procedures, claims of insurance creditors that have common residency, domicile or headquarter in a member state benefit from the same treatment and same rank as insurance claims of the same nature, likely to be submitted by insurance creditors that have common residency, domicile or headquarter in Romania.

Drawn up,

Cosmin Alexandru IONESCU

Inspector speacilized in damages-Damage Assessor

Policyholder Guarantee Fund