

Law of 12th August 1982, n. 576
Reform of Supervision over Insurance
published in the Gazzetta Ufficiale of 20th August 1982, n. 229.

Article 1 repealed by article 5 of the legislative decree of 13th October 1998, n. 373.
Article 2 repealed by article 4 of the presidential decree of 18th April 1998, n. 385.

Article 3. Foundation of ISVAP.

ISVAP – Istituto per la vigilanza sulle assicurazioni private e di interesse collettivo (Supervisory Authority for Private Insurance Undertakings and Insurance Undertakings of Public Interest) is hereby established with head offices in Rome.
The Institute is endowed with legal status under public law.

Article 4. Functions of ISVAP.

ISVAP, in keeping with European Union regulations on insurance and within the sphere of insurance policy lines set by the Government, shall carry out functions of supervision as set forth in the consolidation act on private insurance activity, approved with the presidential decree of 13th February 1959, n. 449 and subsequent modifications, and the laws and regulations on private insurance undertakings and undertakings of public interest over INA – Istituto Nazionale delle Assicurazioni (the National Institute of Insurance), over national and foreign undertakings however named and established that exercise on the Italian territory insurance or reinsurance activity in any class and in any form, capital redemption operations of and similar activities as well as of other entities that are, in any event, subject to the measures relating to insurance activity, including entities or organisations in that as individual undertakings, partnerships, or consortia, perform functions partly included in the operational cycle of insurance undertakings, limited to insurance profiles. To this end it shall:

- a) supervise their technical and financial management;
- b) examine and verify their balance sheets;
- c) supervise observance of all laws and regulations in force by insurance market operators, including agents and insurance and reinsurance brokers;
- c-bis) adopt all measures considered useful or necessary for the safeguarding of undertakings and users.

ISVAP shall also:

- a) perform all activities needed for an understanding of the insurance market, including statistical studies and gathering of information to draw up insurance strategies, with particular attention towards the trends of international and Community markets, the development, prevention and coverage of risks and the problem of investments;
- b) carry out surveys and acquire data and information needed to set and supervise rates and examine insurance policy conditions;

c), d), e) repealed by article 4 of the presidential decree of 18th April 1994, n. 385.

f), g), h) repealed by article 5 of the legislative decree of 13th October 1998, n. 373.

- i) promote all forms of collaboration deemed necessary with other supervisory authorities of other member States of the European Economic Community to enable systematic supervision of insurance activity carried out by way of free provision of services by foreign undertakings on the national territory and by national undertakings on the territory of the other member States.

ISVAP shall provide consultation and send reports to Parliament and the Government for matters within its competence for the regulation and supervision of the insurance sector.

The above shall in no way compromise the powers in this area reserved to the special-status regions as well as the powers of inspection and supervision over listed companies attributed by law 7th June 1974, n. 216 to CONSOB (the National Commission for Listed Companies and the Stock Exchange).

Without prejudice to the jurisdiction of the Government, ISVAP, in order to carry out its duties, shall keep up relations with the competent bodies of the European Union.

The Minister of Industry, Commerce and Handicrafts, upon the proposal of ISVAP formulated subsequent to fulfilment of the provisions provided for in article 18, sub-section 2 of law 24th November 1981, n. 689, shall apply sanctions motivating these orders.

Article 5. Powers of ISVAP.

In particular, ISVAP can undertake the following actions in the exercise of its functions:

- a) request data, information and collaboration from all offices of the public administration;
- b) request that the entities and undertakings mentioned in the first sub-section of article 4 above communicate data, elements and information; arrange for inspections and any other type of investigation of said entities and undertakings, exercising the functions and making use of the powers attributed to it by law and by the regulations of the Ministry of Industry, Commerce and Handicrafts; and summon the legal representatives, the director general and the chairman of the board of internal auditors and, where necessary, the representatives of the auditing firm assigned to certify the balance sheet;
- c) order the convocation of shareholders' meetings and meetings of the boards of directors and the other administrative bodies of the entities and undertakings under the jurisdiction of its supervision, in order to submit to their examination the measures required to ensure that management is in accordance with the law and to undertake said convocation directly, at the expenses of said entities and undertakings, when the competent bodies have not fulfilled said obligation;
- d) make use of the services of the Consortium Account provided for in article 14 of law 24th December 1969 n. 990 and subsequent modifications, and of the "National Guarantee Fund" managed by INA, which shall present the supervisory authority with yearly reports on their activities;
- e) request that INA supply the results and specific studies related to the legal transfers as set forth in article 23 of the consolidation act on private insurance activity, approved with the presidential decree of 13th February 1959, n. 449 and subsequent modifications;
- f) also making use of the collaboration of CONSOB, the National Commission for Listed Companies and the Stock Exchange as set forth in law 7th June 1974, n. 216, verify all financial interrelationships between holding companies, subsidiaries and associated companies exercising any of the activities described in the first sub-section of article 4;
- g) carry out investigations on possible purchases, even as the result of options, of shares of the same companies by persons or groups already involved in management with

serious losses or in companies in compulsory winding up also through requests for information from holding companies, stockbrokers or any other party.

The data, news and information acquired by ISVAP in the performance of its duties and functions are strictly confidential, also with respect to the offices of the public administration. The Bank of Italy, CONSOB, the Competition Authority and the Communications Supervisory Authority may not refuse a request from ISVAP on the grounds of confidentiality. Nor may ISVAP use the grounds of confidentiality to refuse to provide information to the two branches of Parliament acquiring data, news and information according to the competence and procedures set forth in their respective regulations. The Bank of Italy, CONSOB, and the Competition Authority may not refuse a request from ISVAP on the grounds of confidentiality.

Directors, internal auditors or auditors and directors general of entities and undertakings described in the first sub-section of article 4 who do not comply with the requests and do not adhere to the ordinances of ISVAP, shall be punished with arrest of up to three months and with a fine of from 2 million to 40 million lire.

The president, the members of the board of directors and the officials of ISVAP are public officials in the performance of their duties and are bound by the strictest confidentiality. The processing of personal data as set forth in law 31st December 1996, n. 675 is allowed for the implementation of the present article.

The provisions set forth in the legislative decree 3rd February 1993, n. 29 and subsequent modifications shall not be applied to ISVAP barring the provisions of this sub-section. Without prejudice to the privilege of the president and the board of directors to adopt procedures in the area of their competence, in order to guarantee the responsibility and autonomy in the performance of the inquiry procedures, in accordance with law 7th August 1990, n. 241 and subsequent modifications and legislative decree 3rd February 1993, n. 29 and subsequent modifications, the principle regarding identification and functions of the person responsible for the procedure, as well as those regarding the distinction between functions of guidance and supervision attributed to the governing bodies and those concerning the functions of management attributed to the executive staff shall be applied.

Article 5-bis Collaboration between supervisors.

1. ISVAP, the Bank of Italy, CONSOB, COVIP (the Supervisory Commission for Pension Funds) and Ufficio italiano dei cambi (the Italian Foreign Exchange Office) collaborate with each other, also through the exchange of information, with the aim of improving the carrying out of their respective duties. These authorities may not refuse a request from each other on the grounds of confidentiality.

2. ISVAP collaborates with the competent authorities of the European Union and of the individual member States, also through the exchange of information, with the aim of improving the carrying out of their duties. The information received by ISVAP cannot be forwarded to other Italian authorities and third parties unless the consent of the authority which furnished them has been obtained.

3. ISVAP may exchange information with administrative and judicial authorities of the European Union in the framework of winding up or bankruptcy proceedings of the supervised entities, with the aim of improving the carrying out of their respective duties.

4. Within the cooperation agreements and subject to reciprocity and equivalent obligation of confidentiality ISVAP may exchange information with the competent non-

EU authorities and with the non-EU administrative or judicial authorities in the framework of winding up or bankruptcy proceedings of the supervised entities.

Article 6. Obligations to give information to ISVAP.

Copies of the minutes of the meetings and resolutions of the shareholders' meetings of insurance entities and undertakings shall be transmitted to ISVAP by the board of directors or by the board of internal auditors or by persons expressly delegated to do so by the shareholders' meeting within fifteen days.

Non-compliance of the obligations set forth in the sub-sections above shall be punished with the sanction provided for by article 2626 of the Italian Civil Code.

Holding companies, stockbrokers and any other party who has purchased ordinary shares of companies exercising any of the activities described in the first sub-section of article 4 shall notify ISVAP, within fifteen days of the request, of the names, respectively of the mandator, the purchasers of the ordinary shares transferred with their brokerage or the actual purchasers.

In the event of non-compliance with the obligation of communication as set forth in the sub-section above, the legal representative of the holding company or stockbroker or the apparent purchaser shall be punished with an administrative sanction for an amount equal to a sixth of the market value of the shares negotiated. The sanction shall be imposed by the Minister of Industry, Commerce and Handicrafts upon the report by the president of ISVAP. Proceeds from the sanctions shall be transferred to ISVAP.

The board of internal auditors shall notify ISVAP immediately of any acts or facts concerning the insurance undertaking they have found during the performance of their duties and functions which may constitute an irregularity in the undertakings' administration or a violation of the laws and regulations regulating the carrying out of insurance activity by undertakings. The board of internal auditors shall transmit to ISVAP copies of the minutes of the meetings and of the verifications within ten days from the date of the meeting or of the verification together with any other data or document requested.

The firm that carries out audits and other tasks contemplated by the law at the insurance undertaking, together with the actuary appointed by the same auditing firm, must give timely notification to ISVAP about the acts or facts concerning the insurance undertaking they have found during the performance of their task, and that may represent a serious violation of the laws and regulations that discipline an insurance undertaking's activity, or undermine the continuity of the undertaking's activity, or that involve a negative assessment, an assessment with remarks or a declaration of the impossibility to assess the financial statement. The auditing firm and the actuary send any other requested data or document to ISVAP.

The obligations under sub-sections 5 and 6 also exist for facts or acts which the subjects mentioned under the same sub-sections have found in the performance of the tasks carried out at an undertaking which has close ties – deriving from controlling interests as mentioned in article 9-*bis* a) and c) of the legislative decree 17th March 1995, n. 174 and article 11-*bis* of the legislative decree 17th March 1995, n. 175 – with the insurance undertaking at which they perform their respective tasks.

Non-compliance with the obligations set forth in the sub-sections 5, 6 and 7 shall be punished as follows:

- a) for the members of the board of auditors: an administrative sanction for an amount varying between 5 million and 200 million lire as envisaged in article 4, sub-section 6. For the purpose of supervision over persons subject to enrolment in the auditors' register ISVAP shall inform the Ministry of Justice thereof. The Ministry of Justice shall inform ISVAP of the measures taken;
- b) for auditing companies: reporting to CONSOB (the National Commission for Listed Companies and the Stock Exchange), which is responsible for adopting the measures under article 163 of the legislative decree 24th February 1998, n. 58. CONSOB shall inform ISVAP of the measures taken against the auditing company.
- c) for the actuary appointed by the auditing company: the application (as per article 4, sub-section 6) of an administrative sanction varying between 5 million and 200 million lire. ISVAP shall inform the Actuaries' Association and the latter shall inform ISVAP of the measures taken. In case of serious non-compliance with the rules the actuary can be officially removed from the appointment according to the procedures mentioned in article 62, sub-section 11 of the legislative decree 17th March 1995, n. 174 and article 73, sub-section 11 of the legislative decree 17th March 1995, n. 175, as amended respectively by articles 79 and 80 of the legislative decree 26th March 1997, n. 173.

Article 6-bis. Commissioner for the fulfilment of individual acts.

1. In the event of serious non-compliance with the provisions ordered by the supervisory authority, the Minister of Industry, Commerce and Handicrafts, on his/her initiative or upon the proposal of ISVAP, may arrange for the appointment of a commissioner to enable fulfilment of the individual acts required to ensure that management of entities and undertakings is in accordance with the law.
2. The aforementioned appointment shall, in any event, be preceded by a notification by the Minister, where not previously so done by ISVAP, to the legal representatives of the entity or undertaking of non-compliance and may take place only after the deadline, set to put an end to the facts charged and remove the effects, has expired with no avail.

Article 7. Extraordinary administration.

1. In the cases of serious irregularities in administration, serious violations of rules of law, regulations or articles of association, or serious and persistent non-compliance with the provisions ordered by the supervisory authority, the Minister of Industry, Commerce and Handicrafts, also taking into consideration the financial position of the undertaking, upon proposal of ISVAP, with his/her own decree and after hearing the opinion of the advisory commission provided for in articles 76 and following of the consolidation act on the exercise of private insurance, approved with the presidential decree of 13th February 1959, n. 449 and subsequent modifications, shall order the dissolution of the ordinary administrative and auditing bodies of the entities and undertakings as set forth in article 4, sub-section 1.

1-bis Extraordinary administration shall also apply to all branches situated in the other member States.

1-ter Restoration measures adopted in other member States shall be effective – without further formality – on the branches of undertakings operating on the Italian territory also in relation to third parties.

1-*quater* ISVAP shall immediately inform the supervisory authorities of the other member States that it has adopted the measure of extraordinary administration, and mention its possible effects.

2. The dissolution shall, in any event, be preceded by notification by the Minister, where not previously so done by ISVAP, to the legal representatives of the entity or undertaking of the charges brought and may take place only after the deadline set to put an end to the facts charged and remove the effects has expired with no avail.

3. ISVAP shall appoint one or more extraordinary commissioners for the administration of the entity or undertaking and a supervisory committee made up of a chairman and from two to four members.

4. Consideration for the commissioners, the members of the supervisory committee and its chairman shall be set at the moment of appointment, or subsequently. The cost of consideration shall be borne by the entity or undertaking.

5. The dissolved administrative bodies shall draw up the inventory and the statement of accounts from the date of the close of the financial year to which the last approved balance sheet refers; the inventory and statement of accounts, with the addition of a report of the dissolved board of internal auditors, both certified by ISVAP, shall be presented to the commissioner within three months of the date of publication of the decree as set forth in sub-section 1.

6. The supervisory committee shall substitute the dissolved board of internal auditors in all its functions; it shall decide by majority vote and in the event of a tie, the deciding vote shall be cast by the president.

7. All the powers of the dissolved administrative bodies shall be attributed to the extraordinary commissioner. When there is more than one commissioner, they shall decide by majority vote; if there are two, they shall decide unanimously; representation before third parties and in proceedings against the entity or undertaking is the duty of two of them with joint signature.

8. During extraordinary administration, the functions belonging to the shareholders' meeting are suspended.

9. The commissioner may convene the ordinary and extraordinary shareholders' meeting whenever he/she deems it necessary and upon authorisation of ISVAP.

10. The commissioner shall:

a) having heard the supervisory committee and upon authorisation of ISVAP, propose actions of liability against members of the boards of directors and internal auditors of the entity or undertaking;

b) refer to ISVAP, on a quarterly basis, on the course of the administration, the situation and needs of the entity or undertaking and notify ISVAP immediately regarding any conditions that prevent the profitable continuation of administration; all reports of the commissioner shall be accompanied by the motivated opinion of the supervisory committee;

c) transmit immediately to ISVAP, along with his/her own detailed assessment and the opinion of the supervisory committee, all proposals received regarding company restoration or reorganisation;

d) promote the reconstitution of the ordinary administrative and auditing bodies as soon as conditions exist and upon authorisation of ISVAP.

11. Extraordinary administration shall last no more than one year; upon the motivated request of the commissioner and after hearing the opinion of the supervisory committee,

an extension may be granted by the Minister of Industry, Commerce and Handicrafts, on the basis of a motivated report of ISVAP and after hearing the opinion of the advisory commission provided for in articles 76 and following of said consolidation act on the exercise of private insurance, approved with the presidential decree of 13th February 1959, n. 449, for a total period of no more than twelve months.

12. The close of the current financial year at the date of the beginning of extraordinary administration shall be protracted, to all effects of law, until termination of said administration.

13. The ministerial decrees for the beginning and termination of extraordinary administration shall be published in the *Gazzetta Ufficiale*. The decree of termination shall be adopted on the basis of the motivated proposals of ISVAP and upon verification of the reconstitution of the corporate bodies.

13-*bis* A summary of the measure of extraordinary administration adopted must be published, on ISVAP's initiative, in the Official Journal of the European Communities.

13-*ter* Should ISVAP be informed by another member State that a restoration measure has been adopted vis-à-vis an undertaking which has a branch on the Italian territory, it may publish such decision in accordance with the procedures it deems appropriate. The authority which issued the measure, the authority to which it is possible to appeal should the measure be challenged, the regulations applicable and the name of the extraordinary administrator, if any, must be specified in such publications.

14. Upon termination of extraordinary administration:

a) the commissioner shall prepare the balance sheet and the profit and loss account and shall present these to ISVAP for approval, together with the report of the supervisory committee, within six months;

b) the commissioner and the supervisory committee shall prepare separate reports on the activity carried out and submit these to ISVAP;

c) the commissioner shall prepare the inventory and statement of accounts from the date of the beginning of extraordinary management; the inventory and statement of accounts, along with a report of the supervisory committee, shall be presented to the ordinary administrative bodies within three months of termination of extraordinary administration.

15. Objections to the commissioner's statement of accounts shall, on pain of cancellation, be communicated to ISVAP within sixty days of its presentation. Actions of liability against the commissioner shall be promoted within the period of prescription of two years from the date of publication of the decree of termination of extraordinary administration.

16. Actions of liability promoted by the commissioner shall be continued by the ordinary administrative bodies which shall present ISVAP with a report on the state of the relative procedures within 31st December of each year.

Article 7-bis. Financial aid to undertakings in difficulty.

1. While awaiting the redefinition of instruments of intervention for insurance undertakings in difficulty, should the extraordinary commissioner of an insurance undertaking providing motor vehicle liability insurance, having checked the undertaking's financial and technical-commercial situation, consider that conditions exist to proceed to said undertaking's restoration, he/she may present the Minister of Industry, Commerce and Handicrafts and with copy to ISVAP, a motivated request to

grant financing by INA, independent management of the “National Guarantee Fund”. The request shall be sent together with the favourable opinion of the supervisory committee as described in article 7, sub-section 3.

2. Financing shall be granted with a decree of the Minister of Industry, Commerce and Handicrafts, emanated along with an identical opinion of ISVAP and after hearing the opinion of the private insurance advisory commission provided for in articles 76 and following of the consolidation act on the exercise of private insurance, approved with the presidential decree of 13th February 1959, n. 449, for a maximum of 70 percent of the amount of the technical provisions for motor vehicle liability insurance that are shown in the last balance sheet of the undertaking in extraordinary administration. The aforementioned limit cannot in any event exceed the amount of the damages due by the undertaking for claims dating back to before the date of the decree ordering the procedure of extraordinary administration. The same decree shall also establish the timetable for financial aid, which shall be used exclusively for payment of damages provoked by policyholders of compulsory motor vehicle liability insurance.

3. The same decree mentioned in sub-section 2 shall establish the conditions and timetable for the restitution to INA, independent management of the “National Guarantee Fund”, of the financial aid as described in the aforementioned sub-section 2, as well as the interest based on a rate corresponding to the official discount rate, increased by an earning margin of no more than 1.50 percent.

4. The financial aid granted as per sub-section 2 constitutes privileged debt, with absolute precedence over every other debt, including secured credit and mortgage loans, even in procedures with more than one claimant.

5. The application of the procedures set forth in this article may in no case contribute to determining an increase of the contribution due to the “National Guarantee Fund”.

6. The financial aid provided for in sub-section 2 shall be bolstered by the pledge of shares issued by the company also following an increase of share capital. The transfer of said shares shall be carried out according to the procedure set in the last sub-section of article 2795 of the Italian Civil Code.

7. Should extraordinary administration cease following the purchase of a majority packet of the undertaking's shares by a party different from that or from those holding the company at the moment when the measure of extraordinary administration was adopted, the Minister of Industry, Commerce and Handicrafts may, having heard ISVAP and the commission under sub-section 2, establish special procedures exclusively regarding the timetable for restitution of the financial aid granted as provided for in sub-section 2, increased by the interest described in sub-section 3.

Article 8 repealed by article 4 of the presidential decree of 18th April 1998, n. 385.

Article 9. Organs of ISVAP.

The organs of ISVAP are the president and the board of directors.

Article 10. President.

The president shall be chosen from among people of irrefutable morality and independence, particularly expert in the technical and administrative disciplines regarding insurance activity, and shall be appointed with a presidential decree, upon resolution of the Council of Ministers based on the proposal of the Minister of Industry,

Commerce and Handicrafts. The provisions of law 24th January 1978, n. 14 shall be applied to said appointment.

The president shall hold office for five years; he/she may be confirmed only once and may be removed or suspended from office in the same manner as indicated in the subsection above.

The office is incompatible with the exercise of any other activity. If the office is conferred on someone who is a State employee, said person shall be assigned a temporary mandate according to procedures set forth in the respective regulations.

The president shall receive consideration for the office to the amount established by a decree of the President of the Council of Ministers, in concert with the Minister of Industry, Commerce and Handicrafts.

The president is a member of the private insurance advisory commission provided for in articles 76 and following of the consolidation act on the exercise of private insurance, approved with the presidential decree of 13th February 1959, n. 449 and subsequent modifications.

The president takes part in the commission along with at least three officials appointed from time to time by the president in relation to the reported issues. The president and the executive staff appointed to take part in the commission participate with a right to vote.

Article 11. Board of directors.

The board of directors shall consist of six members, aside from the president of the Institute.

The members shall be appointed by a decree of the President of the Council of Ministers in concert with the Minister of Industry, Commerce and Handicrafts; they shall hold office for four years and may be appointed no more than two times. They shall be chosen from among persons of irrefutable morality and independence and have proven competence in the technical or juridical matters concerning insurance and financial activity. At any rate it is ensured that directors with a specific professional experience in the field of compulsory motor vehicle liability insurance are involved.

The members of the board of directors may not carry out any activity, remunerated or not, on behalf of the entities or undertakings described in article 4 or entities or companies in any way connected with said entities or undertakings.

The members of the board of directors shall receive consideration to the amount established by a decree of the Minister of Industry, Commerce and Handicrafts. They shall fall from office in the event of unjustified absence from more than two consecutive meetings.

The presence of half of the board's members is considered sufficient to validate the meetings.

Resolutions shall be adopted by a simple majority; in the event of a tie, the deciding vote shall be cast by the president.

The deputy director general shall take part in board meetings on a consultation basis.

Article 12 repealed by article 5 of the legislative decree of 13th October 1998, n. 373.

Article 13. Competence of the president.

The president shall represent ISVAP and act as its director general; convene and preside over the board of directors and implement all resolutions; supervise management of personnel, prepare the annual report on the activity carried out by the Institute to be attached to the balance sheet; exercise any other power not expressly attributed by this law to other organs of the Institute.

Article 14. Competence of the board of directors.

The board of directors shall:

- a) pass resolutions on the by-laws and the general rules concerning the Institute's organisation and operations as well as those aimed at managing expenditures even in departure from the provisions on the general accounts of the State;
- b) approve, by 31st March of each year, the balance sheet of the previous year and the annual report on the activity carried out by the Institute;
- c) approve, by 30th September of each year, the budget of expenditures for the following year;
- d) take measures for management of expenses for Institute operations, within the limits of the contribution determined in accordance with article 25, approving the expenses for sums greater than one percent of the budget;
- e) announce exams for the hiring of personnel, establish the educational qualifications needed for the various positions, the subject matter to be covered in the written and oral exams as well as the number of written exams, indicating additional qualifications considered and the criteria for their evaluation;
- f) decide on the hiring and career advancement of personnel, including the deputy director general;
- g) adopt disciplinary procedures with regard to the deputy director general, the executive staff and inspectors;
- h) adopt procedures for termination of employment for all personnel;
- i) express its opinion to the president regarding authorisation for insurance activity, transfers of portfolios, restoration plans and short-term finance schemes, mergers and incorporations of undertakings subject to the regulation and supervision of ISVAP, including merger procedures and new articles of association;
- l) propose the adoption of sanctions concerning the activity of undertakings, including compulsory winding up;
- m) emanate general instructions regarding the activity of inspectors;
- n) notify the Minister of Industry, Commerce and Handicrafts of any proposals for modification of laws, regulations and general administrative acts regarding the pursuit of insurance activity.

The exercise of the competences of the board of directors, with the exception of letters a), b), c), d), g), h) and m) of the first sub-section may be delegated to the president.

Articles 15 and 16 repealed by article 5 of the legislative decree of 13th October 1998, n. 373.

Article 17. Organisational autonomy.

1. ISVAP shall decide on the rules concerning the Institute's organisation, operations and personnel and shall have independent management of expenses for the above within the limit of the resources described in article 23 of this law.

Article 18 repealed by article 5 of the legislative decree of 13th October 1998, n. 373.

Article 19. Staff.

The establishment plan, which shall not exceed four hundred units, shall be annexed to the budget and approved by the board of directors with the same resolution provided for in article 14, sub-section 1, letter c).

Article 20. Juridical and economic treatment of personnel.

The juridical and economic treatment of ISVAP employees, including the deputy director general, and the rules governing the career system shall be established by the board with its own regulations, with reference to the criteria set by the collective labour agreements in force in the insurance sector, taking into consideration ISVAP specific functional and organisational needs.

None of the personnel on duty, even if working under a fixed-term contract, may assume another job or carry out any other professional, commercial or industrial activity or assume positions of any type in undertakings in the insurance sector. The violation of said ban shall be considered cause for loss of position and shall be punished, where no breach of law is involved, with the administrative sanctions provided for by law.

The inspectors are considered public officials while performing their duties. They shall report all irregularities found, even those considered indictable offences, exclusively to the president of ISVAP.

Article 21. Hiring of personnel.

Personnel shall be hired through public competition of titles and exams.

In accordance with the procedures decided on by the board of directors, ISVAP may organise training courses and professional updates in the field of insurance.

The exam commissions shall be appointed by the board of directors.

In order to carry out its functions, ISVAP may directly hire employees under fixed-term contracts, disciplined by private law, up to a maximum of twenty units. The president of ISVAP may stipulate, upon the favourable opinion of the board, fixed-term contracts, disciplined by private law and renewable repeatedly, with the employees mentioned in this sub-section, to a maximum number of ten units, wherever they have actually carried out functions of Institute executive staff and have worked as ISVAP employees without interruption for at least five years.

Article 22 repealed by article 5 of the legislative decree of 13th October 1998, n. 373.

Article 23. Income.

The income of ISVAP shall consist of:

the revenues of the contribution for supervision provided for in article 67, sub-section 1, of the consolidation act on the exercise of private insurance, approved with the presidential decree of 13th February 1959, n. 449 and subsequent modifications;

the earnings from the sale of movables and immovables;

any other possible revenue.

Article 24 repealed by article 5 of the legislative decree of 13th October 1998, n. 373

Article 25. Contribution for supervision.

The maximum amount of the contribution for supervision provided for in article 67, sub-section 1, of the consolidation act on private insurance activity, approved with the presidential decree of 13th February 1959, n. 449 and subsequent modifications, shall remain set at two per thousand of the premiums collected for each financial year.

The contribution shall be paid directly to ISVAP by 31st July of each year, to the amount and according to the procedures set forth in the decree emanated by the Minister of Finance by 30th June, upon agreement with ISVAP. The Minister of Finance is hereby authorised to adjust the contribution in relation to the burdens assumed so that the actual expenses for ISVAP's operations are covered.

The parts of the amounts described in sub-section 2 above not actually used by ISVAP shall be included among the operating surplus which shall be taken into account to calculate the contribution described in sub-section 2 above for the following period.

Articles 26, 27 and 28 repealed by Article 5 of the legislative decree of 13th October 1998, n. 373.

Article 29. Financial coverage.

The burdens deriving from application of this law shall be covered by the revenues of the contribution for supervision paid yearly by the entities and undertakings described in article 4, sub-section 1, of this law, in accordance with article 67, sub-section 1, of the consolidation act on the exercise of private insurance, approved with the presidential decree of 13th February 1959, n. 449 and subsequent modifications.

The Minister of the Treasury is authorised to make the necessary variations in the State budget with his/her own decree.