

N° 1438.

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ITALIE  
ET TCHÉCOSLOVAQUIE

Convention concernant l'exécution des contrats d'assurance sur la vie et de rentes viagères, conclus entre des entreprises d'assurance italiennes et des contractants tchécoslovaques, et entre des entreprises d'assurance tchécoslovaques et des contractants italiens, avec protocole final. Signée à Prague, le 4 mai 1926.

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ITALY  
AND CZECHOSLOVAKIA

Convention concerning the Execution of Contracts for Life Insurance and Life Annuities, concluded between Italian Insurance Undertakings and Czechoslovak Nationals, and between Czechoslovak Insurance Undertakings and Italian Nationals, with Final Protocol. Signed at Prague, May 4, 1926.

## TEXTE TCHÈQUE. — CZECH TEXT.

N<sup>o</sup> 1438. — ÚMLUVA<sup>1</sup> MEZI REPUBLIKOU ČESKOSLOVENSKOU A KRÁLOVSTVÍM ITALSKÝM O PLNĚNÍ SMLUV O POJIŠTĚNÍ NA ŽIVOT A DŮCHODY, KETŘÉ SJEDNALY ITALSKÉ POJIŠŤOVNY S POJIŠŤNÍKY ČESKOSLOVENSKÝMI A ČESKOSLOVENSKÉ POJIŠŤOVNY S POJIŠŤNÍKY ITALSKÝMI, PODEPSANÁ V PRAZE, DNE 4. KVĚTNA 1926.

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*Italian and Czech official texts communicated by the Italian Minister for Foreign Affairs and the Permanent Delegate of the Czechoslovak Republic accredited to the League of Nations. The registration of this Convention took place April 12, 1927.*

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REPUBLIKA ČESKOSLOVENSKÁ a KRÁLOVSTVÍ ITALSKÉ, prodchnuty jsouce přáním, uzavřítí dohodu provádějící článek 215 mírové smlouvy Saint Germainské a článek 198 mírové smlouvy Trianonské, jmenovaly svými zmocněnci :

PRESIDENT REPUBLIKY ČESKOSLOVENSKÉ :

pana Ladislava AUTENGRUBERA, ministerského radu v ministerstvu vnitra,

JEHO VELIČENSTVO KRÁL ITALSKÝ :

pana hraběte Bonifacio PIGNATTI MORANO DI CUSTOZA, mimořádného vyslance a splnomocněného ministra J. V. krále italského v Praze,

kteří, předloživše své plné moci, jež shledány v dobré a řádné formě, sjednali toto :

*Článek 1.*

Každý z obou smluvních států bude nakládati se soukromými pojišťovny, které mají sídlo na území druhého státu, stejným způsobem jako s ústavy téhož druhu některého třetího státu.

Článek 7 odst. 3 věta první právně-finanční úmluvy<sup>2</sup> ze dne 23. března 1921, pokud se vztahuje na soukromé pojišťovny, mění se touto smlouvou tak, že Československá republika závazně udělí přípuštění k obchodování společností « Assicurazioni Generali » a « Riunione Adriatica di Sicurtà » Ostatní ustanovení řečeného článku zůstávají nedotčena.

*Článek 2.*

1. Italské pojišťovny oddělí od svého stavu životních pojištění smlouvy o pojištění na život a důchody, sjednané před 26. únorem 1919 jejich ústřednami nebo jejich odbočkami, ležícími v kte-

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<sup>1</sup> The exchange of ratifications took place at Rome, March 26, 1927.

<sup>2</sup> Vol. XXXII, page 261, of this Series.

<sup>1</sup> TRANSLATION.

No. 1438. — CONVENTION BETWEEN THE KINGDOM OF ITALY AND THE CZECHOSLOVAK REPUBLIC CONCERNING THE EXECUTION OF CONTRACTS FOR LIFE INSURANCE AND LIFE ANNUITIES CONCLUDED BETWEEN ITALIAN INSURANCE UNDERTAKINGS AND CZECHOSLOVAK NATIONALS, AND BETWEEN CZECHOSLOVAK INSURANCE UNDERTAKINGS AND ITALIAN NATIONALS. SIGNED AT PRAGUE, MAY 4, 1926.

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THE KINGDOM OF ITALY and THE CZECHOSLOVAK REPUBLIC being desirous of concluding a Convention in execution of Article 215 of the Treaty of Peace of St. Germain and Article 198 of the Treaty of Peace of Trianon, have appointed as their Plenipotentiaries :

HIS MAJESTY THE KING OF ITALY :

Count Bonifacio PIGNATTI MORANO DI CUSTOZA, Envoy Extraordinary and Minister Plenipotentiary of His Majesty the King of Italy at Prague ;

THE PRESIDENT OF THE CZECHOSLOVAK REPUBLIC :

M. Ladislav AUTENGRUBER, Ministerial Councillor in the Ministry of the Interior ;

Who, having communicated their full powers, found in good and true form, have agreed as follows :

*Article 1.*

Each of the two Contracting States shall in every case grant to private insurance companies having their headquarters in the territory of the other State, the same treatment as it accords to similar companies of any third State.

The first sentence of the third paragraph of Article 7 of the Juridical-Financial Convention of March 23rd, 1921, shall, so far as it relates to private insurance companies be amended by the present Treaty in the sense that the Government of the Czechoslovak Republic shall be bound to recognise the *Assicurazioni Generali* and *Riunione Adriatica di Sicurtà* companies as entitled to carry on business in its territory.

The other dispositions of that Article shall remain unchanged.

*Article 2.*

(1) Italian insurance companies shall separate from their life insurance and life annuity policy holdings those insurance contracts (hereinafter described as "Czechoslovak policy holdings") concluded before February 26, 1919, by their head offices or branches, wherever situated, with persons who, on December 31, 1924, were Czechoslovak nationals and habitually resident in the territory of the Czechoslovak Republic.

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<sup>1</sup> Translated by the Secretariat of the League of Nations.

In the case of fixed-term insurances and marriage endowment insurances, if the insured person died before December 31, 1924, inclusion in the Czechoslovak policy holdings shall be determined by the nationality and habitual residence on December 31, 1924, of the beneficiaries designated by name in the policy, or, in default of such beneficiaries, by the nationality and habitual residence of the majority of the nearest relatives (spouse and children) of the insured person.

If the policy was contracted by a corporate body, inclusion shall be determined by the nationality and habitual residence of the person on whose life the policy was concluded (the insured person).

(2) If the event provided for in the contract took place before December 31, 1924, or if, on the request of the signatory to the policy or in consequence of non-payment of premiums, the insurance has been converted into a freed insurance (exempt from the payment of premiums) for a reduced sum, or if the signatory has asked to redeem the insurance, the date on which the event, as above, took place, or the date of conversion, or the date on which the application to redeem was made to the company, shall be substituted for the date December 31, 1924.

(3) If the conversion into a freed insurance for a reduced sum took place before February 26, 1919, the inclusion of this insurance in the Czechoslovak policy holdings may be made conditional upon a request to be submitted by the signatory of the policy within the space of three years from the entering into force of the present Convention, provided it can be shown that the conditions indicated in the present and the following Article are fulfilled.

(4) The method of proof of nationality and habitual residence for the purposes of the execution of the present and the following Articles shall be determined by the Czechoslovak authorities responsible for the supervision of insurances.

### Article 3.

(1) Insurance contracts in which the signatories (or in the case provided for under Article 2, No. 1, paragraph 2, the persons therein designated, or in the case provided for under Article 2, No. 1, paragraph 3, the insured persons) were Czechoslovak nationals on December 31st, 1924, but had their habitual residence outside the territory of the Czechoslovak Republic on that date, shall only be included in the Czechoslovak policy holdings if the insurances were already freed from the payment of premiums before February 26, 1919, or, in default of this condition, if the premiums falling due in the course of 1924, or, supposing previous liberation from the payment of premiums, the premiums last falling due

- (a) Were paid in Czechoslovak crowns, or
- (b) Were paid in another currency, but with a reservation relative to the currency, or
- (c) If an extended time-limit for the payment of the premium was agreed upon with the insurance company;

And if, further, the signatories (or in the case provided for under Article 2, No. 1, paragraph 2, the persons therein designated, or in the case provided for under Article 2, No. 1, paragraph 3, the insured persons) request in cases (b) and (c) within a period not exceeding one year from the entry into force of this Convention, that the insurance contracts may be included in the Czechoslovak policy holdings.

If conversion into an insurance exempted from premiums, for a reduced sum, took place before February 26, 1919, the provisions of Article 2, No. 3, shall be applied.

(2) The principles of the preceding paragraph shall similarly be applied to contracts for life annuities in which the payment of the annuity commenced before December 31, 1924, it being understood that the inclusion of these insurances in the Czechoslovak policy holdings shall be determined by the currency in which, or the reservations under which the instalment falling due in 1924, or, if the payment of the annuity had previously ceased, the instalment last falling due, was drawn by the lawful beneficiary.

*Article 4.*

Life insurances in which the payment by the insurance company consists in the remittance of bonds of the Austrian or Hungarian war loan, to a fixed nominal figure, or in which the conclusion of the insurance contract was made conditional on simultaneous subscription to the war loan through insurance companies (insurance combined with war loan) shall, if the other conditions set out in Articles 2 and 3 above are fulfilled, be included in the Czechoslovak policy holdings so far as such insurance contracts were still in force on December 31, 1924.

If at the moment of ratification of the present Convention no other agreement has been made between the signatories and the insurance companies, the latter shall be bound, at the request of the signatories, to convert such insurance contracts, within one year from the entry into force of the present Convention, into insurance contracts guaranteeing the signatories the right to an assured sum to be paid in cash, and to reckon as the sole premiums in Czechoslovak crowns to be paid on such conserved contracts.

(a) If the insurance contracts in question combined with war loan were concluded on the basis of a single premium or of payment in advance of all the annual premiums, 25 %;

(b) If they were concluded on the basis of regular premiums, 75 % of the premiums (without accessory expenses) paid on the insurances combined with war loan up to February 26, 1919, and 100 % of the premiums (without accessory expenses) actually paid from that date onward in Czechoslovak crowns.

The details of this conversion shall be submitted for the approval of the Czechoslovak authorities responsible for the supervision of insurances, in conformity with paragraphs 9 and 10 of the Czechoslovak insurance regulations.

Debts contracted by the signatories to insurance contracts combined with war loan towards the insurance companies for advances in respect of the subscription of war loan, shall be cancelled. If the signatory does not accept the conversion offered to him by the company on the basis of the conditions approved by the competent authorities, the payments already effected by him on such policy shall be retained by the insurance company up to the amount due for advances, including lawful interest.

*Article 5.*

(1) The insurance contracts to be included in virtue of Articles 2 and 3, in the Czechoslovak policy holdings of insurance companies shall, so far as they are expressed in old Austro-Hungarian crowns, be executed by both parties in Czechoslovak crowns at the rate of one Czechoslovak crown for each old Austro-Hungarian crown.

The same principle shall be adopted for those insurance contracts which, in consequence of conversion, replace the insurance contracts combined with war loan referred to in the preceding Article 4, as regards the amount of the premium to be reckoned as the sole premium payable by the signatory.

The premiums paid from February 26, 1919, onward in a currency other than Czechoslovak crowns shall be reimbursed to the signatories in the original currency at its nominal value, including the lawful interest for the time expired. Against this, the signatories must pay the corresponding sum, with the legal interest for the time expired, in Czechoslovak crowns.

(2) The above provisions apply to all payments made in virtue of insurance contracts, and in particular to all payments made by the insurer, on the one hand, and to the payment of premiums, on the other, to the repayment of loans on policies, and to the interest on such loans.

The Czechoslovak supervisory authority, by agreement with the Italian authority responsible for the supervision of insurances, may issue special regulations, valid for a period not exceeding

three years from the entry into force of the present Convention, for the payment of the price of repurchase and for the repayment of loans on policies. Such regulations shall be binding on the insurance companies and on the signatories.

*Article 6.*

(1) Life insurance contracts expressed in old Austro-Hungarian crowns, for which all premiums have been paid, from February 26, 1919, onward, without reservation, in a currency other than the Czechoslovak crown, at the rate of 1 : 1, or for which the holders have accepted, without reservation, payment in a currency other than the Czechoslovak crown at the rate of 1 : 1, shall continue in future to be executed by both parties in that other currency, even though the other requisite conditions for their inclusion in the Czechoslovak policy holdings (Articles 2 and 3) have been fulfilled.

This provision shall not apply in cases in which the payment of a premium offered by the signatory in Czechoslovak crowns was not accepted by the insurance company.

(2) Life insurance contracts expressed in a currency other than the old Austro-Hungarian crown shall likewise be executed in future by both Contracting Parties in that other currency, if the other requisite conditions for their inclusion in the Czechoslovak policy holdings (Articles 2 and 3) are fulfilled.

*Article 7.*

The actuarial reserves (premium reserves, deferred premiums, reserves for accidents, reserves for participation in profits) for life insurances, to be included in virtue of the preceding Articles 2-6 in the Czechoslovak policy holdings, shall be calculated as at December 31, 1924, payments due by the insurer which fell due after February 26, 1919, and have not yet been paid being included in the calculation.

The calculation of the premium reserves (including the proportions of the premium reserves forming part of the sums paid out in re-insurance) shall be made on the basis and according to the system of calculation in use in the insurance companies, provided that they do not conflict with the regulations in force in the Czechoslovak Republic.

As regards the insurances combined with war loan, referred to in Article 4 above, the sum corresponding to the actuarial reserves for the contracts converted in conformity with the provisions to this effect into insurances for sums in cash, shall be calculated instead of the technical reserves as at December 31, 1924.

*Article 8.*

As cover for the actuarial reserves calculated in conformity with the principles of Article 7, insurance companies shall employ the following assets in their possession, in the order named :

- (a) Public Debt bonds issued by the Czechoslovak Republic;
- (b) Loans on life insurance policies forming part of the Czechoslovak policy holdings;
- (c) Immovable property situated in the territory of the Czechoslovak Republic;
- (d) Mortgage loans on immovable property situated in the territory of the Czechoslovak Republic;
- (e) Gilt-edged securities (pledge certificates, provincial or communal bonds, etc.) issued by public or private corporations or institutions (credit establishments, etc.) whose head offices are situated in the territory of the Czechoslovak Republic;
- (f) Deposits and credit accounts with banks, savings banks, credit establishments, and insurance companies, and other credits and credit accounts, if held in the Czechoslovak Republic on December 31st, 1924;

(g) Premiums due and not yet paid, if they were counted as already paid in the calculation of the actuarial reserves under Article 7 of the present Convention;

(h) Public Debt bonds referred to in paragraph 1 of Article 203 of the Treaty of St. Germain or in paragraph 1 of Article 186 of the Treaty of Trianon, so far as they form part of the public debt of the Czechoslovak Republic under the above-mentioned provisions of the Treaty of St. Germain and the Treaty of Trianon;

(i) Public Debt bonds referred to in paragraph 2 of Article 203 of the Treaty of St. Germain or in paragraph 2 of Article 186 of the Treaty of Trianon, viz :

(1) Bonds stamped by the Czechoslovak Republic and recognised as forming part of the public debt of the Czechoslovak Republic;

(2) Bonds not bearing any distinctive mark affixed in execution of the above-mentioned Articles of the Treaty of St. Germain or of the Treaty of Trianon.

The total nominal value of the bonds mentioned in paragraph (i), 2, of the present Article to be employed by the above Italian insurance companies as cover for the actuarial reserves for the Czechoslovak policy holdings shall not exceed 50,000,000 crowns.

#### Article 9.

Should the assets referred to in the preceding Article not be sufficient to cover the actuarial reserves for the Czechoslovak policy holdings, the deficit may be covered by the Public Debt securities referred to in Article 205 of the Treaty of St. Germain and in Article 188 of the Treaty of Trianon, provided that due legal authorisation is received from the Czechoslovak financial administration.

#### Article 10.

The securities referred to in paragraphs (a), (e), (h), and (i) (1) of Article 8 shall be valued for purposes of cover at their nominal value, and the assets indicated in paragraphs (b), (d), (f) and (g) of that Article at their full cash value.

The value of the assets referred to in paragraph (c) of Article 8 shall, in default of agreement, be taken on the basis of the results of an official valuation.

The securities referred to in paragraph (i), 2, of Article 8 shall be valued at their nominal value, one Czechoslovak crown being taken as equivalent to one Austro-Hungarian crown.

#### Article 11.

The Government of the Czechoslovak Republic shall take over at their full nominal value the securities referred to in paragraph (i), 2, of Article 8, so far as may be necessary to cover the actuarial reserves calculated as at December 31st, 1924, in conformity with Article 7, on the basis of valuation set out in Article 10, up to a maximum of 50,000,000 crowns nominal.

The coupons of the above securities shall be honoured by the Czechoslovak Republic as from the date of the coming into force of the Treaties of St. Germain and Trianon.

#### Article 12.

The Italian Government shall permit the export to Czechoslovak territory of securities to be employed under Articles 8 and 9 as cover for the actuarial reserves for the Czechoslovak policy holdings, if these securities are in Italian territory.

The Government of the Czechoslovak Republic shall permit the importation of such securities duty-free.

*Article 13.*

The provisions of Articles 4-9 shall similarly be applicable to re-insurance contracts concluded by Italian insurance companies with Czechoslovak insurance companies.

*Article 14.*

Life insurance contracts concluded by Czechoslovak insurance companies in Austro-Hungarian crowns in the new provinces of the Kingdom of Italy, formerly belonging to the late Austro-Hungarian Monarchy, shall be executed in conformity with Royal Decree No. 19 of January 3, 1926, at the rate of 60 centesimi (Italian) for one old Austro-Hungarian crown, except where different arrangements have already been made between any such company and the signatories for the execution of the insurances in question in another specified currency or at a different rate, or unless the payments made in 1924, or, in case of earlier cessation of the payment of premiums, the last payments made under the contracts in question, were effected by the one party and accepted by the other in a different currency and without reservation.

To facilitate the execution of these obligations, the Italian Government shall remit to the Czechoslovak Government, for the Czechoslovak insurance companies, bonds of the 5 % Consolidated Italian Debt to a nominal value of 200,000 lire, with current coupons from January 1, 1925.

*Article 15.*

Any disputes arising between the two High Contracting Parties as to the execution of the present Convention shall be submitted to an arbitral tribunal of three members, one of whom shall be nominated by the Italian Government and one by the Government of the Czechoslovak Republic ; the two arbitrators shall elect the President.

In case of failure to agree on the choice of the President, he shall be nominated by the President of the Permanent Court of International Justice at the Hague.

The arbitral tribunal shall lay down the procedure and decide as to the costs of the case.

*Article 16.*

The present Convention shall be ratified at the earliest possible date, and shall enter into force fifteen days after the exchange of ratifications, which shall take place at Rome.

The present Convention has been drawn up in Italian and Czech, in two copies, one of which shall be delivered to the Italian Government and the other to the Czechoslovak Government. Both texts are authentic.

In faith whereof the above-mentioned Plenipotentiaries have signed the present Convention and have affixed their seals thereto.

PRAGUE, *May 4, 1926.*

*For the Kingdom of Italy :*

*(Signed)* B. PIGNATTI MORANO.

*For the Czechoslovak Republic :*

*(Signed)* Ladislav AUTENGRUBER.



## FINAL PROTOCOL.

The Plenipotentiaries of the KINGDOM OF ITALY and of the CZECHOSLOVAK REPUBLIC, on proceeding to sign the Convention of to-day's date, of which the present Protocol forms an integral part and shall be ratified at the same time, have made the following declarations :

*Paragraph 1.*

The Government of the Czechoslovak Republic declares that it will regard as unstamped any of the bonds referred to in paragraph (i), 2, of Article 8 of the Convention, which have been stamped by any State, if the stamp has subsequently been cancelled by that State.

*Paragraph 2.*

The authorities of both Contracting Parties responsible for the supervision of insurance shall reciprocally have the right to examine, in the agencies of the insurance Companies, within one year of the coming into force of the present Convention, the particulars of the business done in Czechoslovakia by the Italian insurance companies, on the one hand, and the business done in Italy by the Czechoslovak insurance companies, on the other. The above authorities shall afford each other every assistance in this work.

PRAGUE, *May*, 4, 1926.

*For the Kingdom of Italy :*  
(Signed) B. PIGNATTI MORANO.

*For the Czechoslovak Republic :*  
(Signed) Ladislav AUTENGRUBER.