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## **Banking and Payments Authority of Kosovo**

Pursuant to the authority given under Section 17.b of UNMIK Regulation No. 2001/24 date of October 1, 2001 on Amending UNMIK Regulation No. 1999/20, on Banking and Payments Authority of Kosovo and Section 3.3 of UNMIK Regulation No.2001/25 date of October 5, 2001 on Licensing, Supervision and Regulation of Insurance Companies and Insurance intermediaries,

For the purpose of execution Section 5 of UNMIK Regulation Nr. 2001/25

Governing Board of the Banking and Payment Authority of Kosovo, at the meeting held on March 28, 2002 adopt the following:

### **Rule 2 on Amending Rule on General Insurance Classes Recognized by the BPK dated as October 18, 2001**

#### **Section 1**

##### **1. Scope of Rule**

This rule applies to all insurance companies and insurance intermediaries licensed by the BPK.

##### **2. Legal Background**

Kosovo's insurance regulation prescribes that the BPK has the power to define the various general insurance classes it recognizes.

##### **3. Current General Insurance Classes Recognized by the Banking and Payments Authority of Kosovo**

**Accident insurance:** financial protection against the risk of loss as a consequence of an accident.

**Agricultural insurance:** refers to crop insurance and livestock insurance.

**Aircraft insurance:** financial protection against the risk of loss or damage to an aircraft.

**Aircraft third party liability insurance:** financial protection against the risk of incurring liability arising from the risk of injury or death to aircraft passengers or other individuals due to an accident involving an aircraft.

**Credit insurance:** financial protection that can take two forms. Domestic credit insurance is financial protection against the risk that a domestic debtor will be unable to pay his or her debts because of insolvency, financial difficulties or other expressly defined risks. Export credit insurance is protection against the risk that a foreign debtor will be unable to pay his or her debts because of insolvency, financial difficulties, political reasons, e.g. imposition of capital controls, economic factors, e.g. imposition of exchange controls or other expressly defined risks.

**Crop insurance:** financial protection against the risk of suffering damage or destruction to agricultural crops. This type of insurance may be packaged together with livestock insurance to be called agricultural insurance.

**Errors and Omissions:** professional liability insurance that indemnifies third parties who incur or suffer financial losses, property damage or personal injuries arising out of acts (errors) or failure to act (omissions) when such acts are normally expected of the professional in dealings with clients.

**Fidelity insurance:** financial protection against risks arising from the fidelity or reliability of employees.

**Guarantee insurance:** financial protection against the risk of non-payment where payment is contractually due. This insurance is broadly equivalent to a bank guarantee or standby bank letter of credit and is similar to surety insurance.

**Health insurance:** financial protection against risks stemming from health problems. This insurance can also be called medical insurance where medical bills are expressly covered by an insurance policy.

**Income protection insurance:** financial protection against the risk that a person's income may be threatened due to unemployment, long-term illness or disability.

**Inland marine insurance:** financial protection against the risk of loss or damage to goods on bodies of water that are considered to be inland, e.g. rivers, lakes, some seas.

**Legal expense insurance:** financial protection against the risk of incurring unexpected legal expenses.

**Livestock insurance:** financial protection against the risk of livestock sustaining injury or death. This type of insurance may be packaged together with crop insurance to be called agricultural insurance.

**Marine insurance:** financial protection against the risk of loss or damage to goods in transit on bodies of water that are not considered to be inland, e.g. oceans, most seas.

**Marine third party liability insurance:** financial protection against the risk of incurring liability arising from the risk of injury or death to marine passengers or other individuals due to an accident involving a marine vessel. This type of insurance can also be underwritten for inland marine third party liability insurance or both types of risk, simultaneously.

**Medical insurance:** financial protection against the risk of incurring unexpected medical bills due to ill health. This type of insurance can also be called health insurance.

**Mortgage payment protection insurance:** financial protection against the risk of being unable to pay mortgage payments in a timely way.

**Motor vehicle collision insurance:** financial protection against the risk of loss or damage to a specifically mentioned vehicle and/or the risk of loss or damage to another person's vehicle involved in a collision with the policyholder's own vehicle.

**Motor vehicle third party liability insurance:** financial protection against the risk of incurring liability arising from the risk of injury or death to a motor vehicle passenger or other individuals due to an accident involving a motor vehicle.

**Professional indemnity insurance:** financial protection against legal suit from another party over claims of malpractice. This insurance is sometimes known as errors and omissions insurance.

**Professional liability insurance:** financial protection for an insurance broker against the risk of being unable to fulfill professional and financial requirements relating to an insurance broker's position.

**Property insurance:** financial protection against the risk of damage or loss to property. This insurance can include coverage against a multitude of perils, e.g. "all-risks" or any one of a combination of risks such as fire, ice build-up, theft, flood, earthquakes, wind damage, e.g. tornadoes, hurricanes and vandalism.

**Property third party liability insurance:** financial protection against incurring liability arising from the risk of another person sustaining injury or death in a defined property.

**Rail insurance:** financial protection against the risk of loss or damage to rail property or rail vehicles.

**Rail third party liability insurance:** financial protection against the risk of incurring liability arising from the risk of injury or death to rail passengers or other individuals due to an accident involving rail vehicles.

**Surety insurance:** financial protection against the risk of non-performance of work under defined contractual obligations. The insurance is normally evidenced via a bond instrument. This insurance is similar to guarantee insurance.

**Travel insurance:** financial protection against various travel-related risks such as unexpected cancellation of a trip. This type of insurance can also include elements of health and property insurance.

## **Section 2 Entry into Force**

This present rule shall enter into force on April 1, 2002.

David Weatherman  
Acting Managing Director