



Pursuant to the Article 36, paragraph 1, subparagraph 1.17 and Article 65, paragraph 1 and 2 of the Law No. 03/L-209 on Central Bank of the Republic of Kosovo (Official Gazette of the Republic of Kosovo No. 77/16 August 2010), Article 4, paragraph 3 of the Law 05/L-045 on Insurances (Official Gazette of the Republic of Kosovo, No. 38/24 December 2015), Executive Board of the Central Bank of the Republic of Kosovo, in the meeting held on 10 March 2020, approved the following:

## **INSTRUCTION ON CLASSES OF INSURANCE**

### **Article 1 Purpose**

1. The purpose of this Instruction is to further determine the classification of risks types into classes of insurances, pursuant to Article 7 and 8 of the Law No. 05/L-045 on Insurances.
2. The provisions of this Instruction shall apply to licensed insurers that exercise insurance activities in the Republic of Kosovo.
3. Determinations of this Instruction concerning the insurers shall also apply to reinsurers.

### **Article 2 Classes of insurance**

1. Classes of insurances shall be divided into:
  - 1.1 Classes of non-life insurance; and
  - 1.2 Classes of life insurance.

**Article 3**  
**Classes of non-life insurance**

1. As determined in the Law on Insurances, the non-life insurance activity shall include the following classes of insurance:
  - 1.1 Accident insurance;
  - 1.2 Health insurance;
  - 1.3 Insurance of land vehicles other than those that move on rails;
  - 1.4 Rail vehicles insurance;
  - 1.5 Aircraft insurance;
  - 1.6 Insurance of ships (sailing vessels);
  - 1.7 Transported goods insurance;
  - 1.8 Insurance against fire and forces of nature;
  - 1.9 Insurance of other property damage;
  - 1.10 Liability insurance for marine, lake, river and canal ships (sailing vessels);
  - 1.11 Aircraft liability insurance;
  - 1.12 Liability insurance for marine ships (sailing vessels), lake ships river and canal boats;
  - 1.13 General liability insurance;
  - 1.14 Loan insurance;
  - 1.15 Guarantee insurance;
  - 1.16 Insurance of financial losses;
  - 1.17 Legal protection insurance;
  - 1.18 Travel assistance insurance.

**Article 4**  
**Classes of life insurance**

1. As determined in the Law on Insurances, the life insurance activity shall include the following classes of insurance:
  - 1.1. Life insurance;
  - 1.2. Insurance of marriage - birth;
  - 1.3. Life insurance linked to collective investment enterprises;
  - 1.4. Annuities;

- 1.5. Additional insurance which relates to the life insurance contract;
- 1.6. Other life insurance activities.

## **Article 5**

### **Risk types in classes of non-life insurance**

1. Risk types within classes of non-life insurance shall be divided as follows:
  - 1.1. **Accident insurance** – includes the accident insurance in case of work injury and occupational diseases and covers:
    - 1.1.1. Full immediate benefit of a specified amount of money;
    - 1.1.2. Benefit of reimbursement nature (the amount of insurance payment in instalments);
    - 1.1.3. The combined benefit, foreseen in paragraph 1, subparagraph 1.1, subparagraphs 1.1.1 and 1.1.2. of this article;
    - 1.1.4. Benefit due to injuries, impairment of health or death of passengers, which consist of the following:
      - 1.1.4.1. Insurance of individuals against consequences of accidents at the workplace or outside the workplace;
      - 1.1.4.2. Insurance of individuals against consequences of accidents of motor vehicles and accidents of specific occupations;
      - 1.1.4.3. Insurance of children and students against consequences of accidents and special insurance of youth against consequences of accidents;
      - 1.1.4.4. Insurance of guests, visitors of performances and shows, participants in excursions and tourists against consequences of accidents;
      - 1.1.4.5. Insurance of consumers, subscribers, beneficiaries of public services, etc., against consequences of accidents;
      - 1.1.4.6. Other special insurances against consequences of accidents;
      - 1.1.4.7. Compulsory insurance of passengers in public transport against consequences of accidents, including death as a consequence of the accident;
      - 1.1.4.8. Other insurances against consequences of accidents.
  - 1.2. **Health insurance** – the insurance that in case of diseases, injuries and other accidents, covers the:
    - 1.2.1 Fixed financial income from health disability;
    - 1.2.2 Benefit of reimbursement nature;
    - 1.2.3 The combined benefit, foreseen in this subparagraph, subparagraphs 1.2.1 and 1.2.2;
    - 1.2.4 Medical, pharmaceutical and technical – medical (ambulant and hospital) costs;

- 1.2.5 Insurance for compensation of costs in case of work injuries and occupational diseases;
  - 1.2.6 Additional insurance for the difference on the value and rights for health services covered by the compulsory health insurance;
  - 1.2.7 Other types of voluntary health insurances.
- 1.3 **Insurance of land vehicles other than those that move on rails** – an insurance covering damages or losses in:
- 1.3.1 Land motor vehicles;
  - 1.3.2 Land non-motor vehicles;
  - 1.3.3 CASCO (Causality and Collision) of vehicles referred to in subparagraphs 1.3.1 and 1.3.2 of this paragraph.
- 1.4 **Insurance of vehicles on rails** – an insurance covering all damages and losses in vehicles on rails, including:
- 1.4.1 Casco insurance of vehicles on rails.
- 1.5 **Aircraft insurance** – an insurance covering all damages and losses in aircraft and other means of air transport, including:
- 1.5.1 Insurance of airplanes and other means of air transport (aircraft);
  - 1.5.2 Casco insurance of airplanes and other aircraft.
- 1.6 **Insurance of ships (sailing vessels)** – an insurance covering all damages and losses occurred or caused to the body of the ship or other sailing vessels, including:
- 1.6.1 Insurance of river and canal boats;
  - 1.6.2 Insurance of lake ships;
  - 1.6.3 Insurance of marine ships;
  - 1.6.4 Casco insurance of ships and yachts in marine transport;
  - 1.6.5 Casco insurance of ships and boats in river transport;
  - 1.6.6 Casco insurance of ships and boats in lake transport;
  - 1.6.7 Casco insurance of ships under construction;
  - 1.6.8 Casco insurance of platforms;
  - 1.6.9 Other types of Casco insurance of sailing vessels.
- 1.7 **Insurance of transported goods (including goods, baggage and all other types of articles)** is an insurance covering all damages and losses to goods or baggage during the transport, regardless of transport mean, and consists of:
- 1.7.1 Insurance of goods during the marine transport;

- 1.7.2 Insurance of goods during the air transport;
- 1.7.3 Insurance of goods during the land transport;
- 1.7.4 Insurance of stored goods;
- 1.7.5 Other types of insurance of goods in transport.

1.8 **Insurance against fire and forces of nature** is an insurance covering the damages or losses caused to articles or properties, other than damages included in classes set out in paragraphs 1.3 to 1.7 of this article, caused by: fires, explosions, storms, forces of nature other than storms, nuclear energy, landslide and earthquake and consists of:

- 1.8.1 Insurance of properties against fires and forces of nature, exclusive of industry and crafts;
- 1.8.2 Insurance of assets against fire and forces of nature in industry and crafts;
- 1.8.3 Other types of insurance against fire and forces of nature.

1.9 **Insurance of other property damage** shall cover all damages or losses to property, other than those included in classes determined in subparagraphs 1.3 to 1.7 of this paragraph, where the damage caused by the hail, flooding or frost and any other such occurrence, such as thefts other than those mentioned in the class determined in subparagraph 1.8 of this paragraph and shall consist of:

- 1.9.1 Machinery breakdown insurance;
- 1.9.2 Theft and robbery insurance;
- 1.9.3 Glass breakage insurance;
- 1.9.4 House insurance;
- 1.9.5 Insurance of facilities under construction;
- 1.9.6 Insurance of objects in assembly;
- 1.9.7 Insurance of movie industry;
- 1.9.8 Insurance of goods in mines;
- 1.9.9 Insurance of technological equipment;
- 1.9.10 Insurance of goods in refrigerator trucks;
- 1.9.11 Insurance of agricultural crops and plantations,
- 1.9.12 Insurance of animals,
- 1.9.13 Other property damages.

1.10 **Liability insurance from the use of vehicles (land motor vehicles)** covers all liabilities arising from the use of land motor vehicles, including liabilities of the carrier and compulsory liability and shall consist of:

- 1.10.1 Third-party liability compulsory insurance of the motor vehicle owner/user;
  - 1.10.2 Third-party liability voluntary insurance of the motor vehicle owner/user;
  - 1.10.3 Insurance of the driver liability for goods transported through land;
  - 1.10.4 Other types of insurance of liability from the use of land motor vehicles.
- 1.11 **Aircraft liability insurance** covers all liabilities arising from the use of aircrafts and other means of air transport (including the carrier's liabilities) and consists of:
- 1.11.1 Third-party liability compulsory insurance of the owner/user of aircrafts and other means of air transport;
  - 1.11.2 Insurance of the liability of the owner/user of the aircrafts and other means of air transport for all obligations (including the obligation to transport goods through the air transport);
  - 1.11.3 Other types of insurance of liabilities from the use of aircrafts and other means of air transport.
- 1.12 **Liability insurance for marine, lake, river and canal ships (sailing vessels)** shall cover all liability arising from the use of ships (sailing vessels) which float on the sea, lakes, rivers and navigation channels (including carrier's liability) and includes the following:
- 1.12.1 third-party liability insurance of ship (sailing vessel) owners/users;
  - 1.12.2 liability insurance of ship (sailing vessel) owners/users for goods transported by ship (sailing vessel);
  - 1.12.3 other types of liability insurance for marine, lake, river and canal ships (sailing vessels).
- 1.13 **General liability insurance** shall include the insurance that covers all liabilities, other than those mentioned in subparagraphs 1.10, 1.11 and 1.12 of this paragraph and shall include:
- 1.13.1 contractual liability insurance of construction contractors;
  - 1.13.2 contractual liability insurance of assembly contractors;
  - 1.13.3 liability insurance of film producers;
  - 1.13.4 liability insurance of product manufacturers;
  - 1.13.5 railway liability insurance;
  - 1.13.6 guarantee insurance for manufacturers, sellers and suppliers;
  - 1.13.7 general liability insurance;
  - 1.13.8 liability insurance of engineering and other companies against damages caused due to incorrect technical documentation;
  - 1.13.9 liability insurance of engineering and other companies;
  - 1.13.10 professional liability insurance for lawyers;
  - 1.13.11 professional liability insurance for notaries;

- 1.13.12 professional liability insurance for audit companies;
- 1.13.13 professional liability insurance for freight-forwarders;
- 1.13.14 marine owner/user liability insurance;
- 1.13.15 ship repairer liability insurance;
- 1.13.16 liability insurance of security agents and detectives;
- 1.13.17 real estate management liability insurance;
- 1.13.18 liability insurance of doctors, dentists and pharmacists;
- 1.13.19 creditor bankruptcy liability insurance;
- 1.13.20 other types of liability insurance.

1.14 **Loan insurance** covers the following:

- 1.14.1 risk of non-payment due to insolvency;
- 1.14.2 export loans and other risks associated with the export;
- 1.14.3 loans paid in instalments;
- 1.14.4 mortgage loans and Lombard loans;
- 1.14.5 agricultural loans;
- 1.14.6 other loans, including
  - 1.14.6.1 export credit insurance;
  - 1.14.6.2 other credit insurance;
  - 1.14.6.3 residential mortgage insurance.

1.15 **Guarantee insurance** covers and guarantees either directly or indirectly the fulfilment of the debtor's responsibilities and includes:

- 1.15.1 direct guarantees;
- 1.15.2 indirect guarantees;
- 1.15.3 bonds.

1.16 **Insurance of financial losses** covers financial losses incurred as a result of:

- 1.16.1 employment risks;
- 1.16.2 insolvency of income for any reason;
- 1.16.3 bad weather;
- 1.16.4 loss of income;
- 1.16.5 ongoing general expenditures and other expenditures;
- 1.16.6 unforeseen commercial and operational costs;
- 1.16.7 loss of market value;

- 1.16.8 loss of rent or revenue;
- 1.16.9 indirect loss from trading, different from those mentioned above;
- 1.16.10 financial losses other than trading;
- 1.16.11 other types of financial losses; including:
  - 1.16.11.1 insurance against financial losses as a result of interruption of work due to fire and other risks;
  - 1.16.11.2 insurance against financial losses as a result of interruption of work due to breakdown of machinery;
  - 1.16.11.3 insurance of various occurrences in case of rainfall;
  - 1.16.11.4 insurance against damages arising from the purchase of counterfeit foreign currencies;
  - 1.16.11.5 insurance against the risk of cancellation of tourism travel arrangements;
  - 1.16.11.6 other types of financial loss insurance.
- 1.17 **Legal protection insurance** includes:
  - 1.17.1 expenses for legal and judicial services;
  - 1.17.2 expenses for out-of-court dispute resolution.
- 1.18 **Assistance insurance** covers assistance for persons who have difficulty during travelling or in other cases outside their home or permanent residence, such as:
  - 1.18.1 tourist insurance;
  - 1.18.2 travel health insurance;
  - 1.18.3 assistance insurance during travel outside the permanent or temporary place of residence;
  - 1.18.4 insurance of other tourist risks.

## **Article 6**

### **Types of risk under life insurance classes**

1. The types of risk under life insurance classes are classified as follows:
  - 1.1 **Life insurance** covers the following risks:
    - 1.1.1 death insurance;
    - 1.1.2 survival insurance up to a certain age;
    - 1.1.3 survival insurance up to a certain age or premature death;
    - 1.1.4 life insurance with return of premiums.
  - 1.2 **Insurance of marriage - birth** covers the following risks:



- 1.2.1 costs associated with marriage or birth of children;
- 1.2.2 conclusion of insurance conditions, which is linked with child reaching a certain age.

**1.3 Life insurance linked to collective investment enterprises** covers:

- 1.3.1 life insurance where the insurance payment is related fully or partially with the value of the shares or quotes of collective investment enterprises, or the value of assets held in an internal fund by the insurer.

**1.4 Annuity insurance** covers:

- 1.4.1 life insurance with savings elements;
- 1.4.2 life insurance with defined term;
- 1.4.3 deferred annuities;
- 1.4.4 immediate annuities.

**1.5 Additional insurance which relates to the life insurance contract**, including one or more of the following combinations:

- 1.5.1 death as a result of an accident;
- 1.5.2 permanent inability to work or disability at work, or a certain type of injury as a result of an accident;
- 1.5.3 permanent inability to work or disability at work, or a certain type of injury as a result of illness;
- 1.5.4 temporary disability as a result of an accident;
- 1.5.5 temporary disability as a result of illness;
- 1.5.6 inability to perform the profession or work as a result of bodily injury;
- 1.5.7 hospital services;
- 1.5.8 incurable diseases;
- 1.5.9 medical services.

**1.6 Life insurance activity** also includes the following operations in insurance:

- 1.6.1 insurance of united individuals for the purpose of capitalizing their contributions and distribution of assets in proportion to accumulated funds among persons who have reached a certain age (survivors) or among the beneficiaries of insurance in case of death of insured persons.
- 1.6.2 return on equity, which is a type of insurance for a specified period, where in exchange for premiums the insurer agrees to pay a fixed amount at the end of the agreed period.

- 1.6.3 pension funds investment management and in particular the assets, which represent stocks of entities which have an impact on the payments in case of death or survival or in the event of non-renewal or termination of the activity.

**Article 7**  
**Entry into force**

This Instruction shall enter into force 15 days after its approval.

Fehmi Mehmeti  
Chairman of the Executive Board

**This Instruction is delivered to:**

- Department of Licensing and Standardization (DLS), Department of Insurance Supervision (DIS) and Department of External Relations (DER)
- Institutions to which it applies (*to be sent electronically by DLS/DIS*)
- The general public (*to be published on the CBK's website by DER*)