



Based on Article 35, paragraph 1.1 of 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), pursuant to and in view of implementation of Articles 42 and 7.4 of Law No. 04/L-018 on Compulsory Motor Liability Insurance (Official Gazette of the Republic of Kosovo No. 4 / 14 July 2011), the Board of the Central Bank of the Republic of Kosovo, in its meeting held on 27 July 2012, approved the following:

REGULATION ON THE GENERAL CONDITIONS OF THE MOTOR LIABILITY INSURANCE POLICY

Article 1 Purpose and scope

1. The Regulation aims to promote fair and impartial treatment of the insured, outlining the general provisions that must be contained in the compulsory motor liability insurance policy.

Article 2 Definitions

1. The terms used in this Regulation shall have the following meaning:

- 1.1 **Motor liability insurance** - compulsory liability insurance of the owner and possessor of the motor vehicle for damages caused to third parties.
- 1.2 **Insurance policy** - the motor liability insurance contract, respectively the standardized insurance certificate signed by the insurer and the insured with which the motor liability insurance contract is proven.
- 1.3 **Motor vehicle** - a vehicle that moves on land propelled by mechanical power, but not running on rails, trailers and semi-trailers, whether or not coupled, which are foreseen to be registered and equipped with a registration document.

1.4 **Owner of the motor vehicle** - a person who is registered in the Kosovo register of motor vehicles as the owner of a motor vehicle and holder of registration plates of the motor vehicle.

1.5 **Insurer** - an insurance company licensed by the CBK to conduct compulsory motor liability insurance activities.

1.6 **The insured** - the person whose property interest is insured in case of liability from possession and use of a motor vehicle.

1.7 **Insurance premium** - the price for insurance coverage specified in the insurance policy.

1.8 **Limitation of the minimum amount of compulsory motor liability insurance** - the minimum amount required by law for motor liability insurance contracts.

Article 3

Obligation for contracting motor liability insurance

1. The owner of the motor vehicle shall, before using it, contract insurance to cover liability for damages caused to third parties in case of death, bodily injury, damage to health or damage to property.

2. The driver shall carry with him/her the insurance policy or other document which proves the contracting of motor liability insurance and present it whenever requested by the official person.

3. In the event of an accident, the driver shall provide his/her personal information and the data related to motor liability insurance to all persons involved in the accident, who may be entitled to compensation on the basis of this insurance.

4. In case the driver does not present the proof that the motor vehicle is insured, then the traffic police or the official delegated by the police shall contact the Insurance Information Centre to verify if the motor vehicle is insured. If the existence of motor liability insurance cannot be established for justifiable reasons or if it is established that the motor vehicle is not insured properly, the traffic police shall prevent further use of the motor vehicle until the existence of the insurance is established or until the fine imposed is paid.

Article 4
Validity of the policy

1. The insurance policy shall be in force starting exactly from the date and time of issuance of the policy and the signing of the contract between the insurer and the insured, unless another date is set between the parties.
2. The insurance policy shall end at 24:00h of the expiration date specified in the policy, unless otherwise contracted.

Article 5
Transfer of ownership

1. In case the ownership of the motor vehicle changes during the insurance period, the rights and responsibilities deriving from the insurance contract shall pass to the new owner and shall be valid until the end of the insurance contract, unless otherwise contracted.
2. The new owner shall, within ten (10) days, notify the insurer of the change of ownership of the motor vehicle and the reflection of this change in the insurance contract.
3. If the insured and the new owner of the motor vehicle agree not to transfer the insurance contract to the new owner, the old owner shall have the right to demand the return of the proportional portion of the premium in case no damage has been paid under this contract.

Article 6
Underwriting coverage

1. Compulsory motor liability insurance shall cover:
 - 1.1 Injuries and property damages caused to third parties by operating the motor vehicle.
 - 1.2 Damages caused by operating the motor vehicle shall also include damage caused to third parties through the belongings falling from the motor vehicle or anything else that is hooked to the motor vehicle.
 - 1.3 Damages caused by operating the motor vehicle caused to third parties by the unauthorized driver of the motor vehicle.
2. This insurance shall not cover damages to items which are transported, unless they serve for the personal use of the passengers.

Article 7

Exclusion from underwriting coverage

1. With motor liability insurance, the underwriting coverage shall not be provided and the right to compensation shall not apply to the following:

1.1 The driver of the motor vehicle who is responsible for the accident;

1.2 The owner, co-owner and any other user of the motor vehicle causing the accident, for damages to his/her belongings;

1.3 Passenger who happened to be on his/her own will in the motor vehicle with the operation of which the damage was caused, when it is proven by the insurance company that the passenger was aware that the motor vehicle was stolen or robbed;

1.4 The passenger who happened to be on his/her own will in an uninsured motor vehicle causing the accident, when it is proven that the passenger was aware of this circumstance;

1.5 A person injured due to:

1.5.1 Driving the motor vehicle during sports events on the roads or parts of roads not allowed to be used by other drivers, for the purpose of reaching maximum speeds or training for racing;

1.5.2 Atomic energy activity during the transportation of radioactive materials;

1.5.3 Military operations or manoeuvres, riots or terrorist acts, if it is proven that the damage is causally related to such events;

1.5.4 Force majeure activity as well as other cases of exclusion by law of liability for damage caused by a motor vehicle.

Article 8

Underwriting coverage limitation - insurance limits

1. The obligation of the insurer under the motor liability insurance contract is limited to the compulsory amount of insurance valid according to the law, on the day of the accident, except when a higher amount of insurance has been contracted.

2. The minimum compulsory insurance amount for contracting the motor liability insurance, according to paragraph 1 of this Article, shall be as follows:

2.1. For damages to persons, in insured case, regardless of the number of damaged persons, one million (1,000,000) Euros.

2.2. For damages to property, in insured case, regardless of the number of damaged persons, two hundred thousand (200,000) Euros.

2.3. For damages caused when operating buses and motor vehicles destined to transport dangerous materials, there shall be applied the double of the minimum insurance amounts defined in sub-paragraphs 2.1 and 2.2 of this Article.

3. In case there are several parties injured by an event and the total value of the damage exceeds the amount of insurance specified in paragraph 2 of this Article, the rights of the injured parties to the insurer are reduced proportionately.

Article 9

Loss of underwriting coverage

1. The insured loses the underwriting coverage when:

1.1 The motor vehicle is not being used in accordance with the determined destination;

1.2 The driver does not have a valid and adequate license for driving a motor vehicle, except for the cases when the motor vehicle is operated for driving lessons by an applicant for driver's license, according to all the rules set for the driving lessons process;

1.3 The motor vehicle is driven under the influence of alcohol above the tolerable limits, under the influence of narcotics or psycho-active substances;

1.4 The driver intentionally causes the damage;

1.5 The accident is caused due to the vehicle technical breakdowns for which the driver, possessor or owner have been aware of.

2. Loss of insurance rights as defined by the provisions of paragraph 1, sub-paragraphs 1.1 to 1.5 of this Article, shall not affect the third party's right to compensation.

3. The insurer, upon the fulfilment of the obligation from this Article, shall have the right to request a reimbursement in regress procedure against the person responsible for the paid compensation.

Article 10
Territorial insurance coverage

1. The compulsory motor liability insurance contract shall cover damages caused in the territory of the Republic of Kosovo.
2. Compulsory motor liability insurance shall also cover, in addition to damages caused in the Republic of Kosovo, damages caused in the territories of the Green Card System member states, unless otherwise contracted.

Article 11
The right to file compensation claim

The injured party shall have the right to file compensation claim based on motor liability insurance directly to the liable insurer. The insurer shall be obliged to record the compensation claim on the same day of its receipt in a special damage book/evidence in numerical order, and confirm the receipt within three (3) days by notifying the party of the reference to the evidenced claim.

Article 12
Compensation claims procedure

1. The Insurance Company shall be obliged to, for damages to persons, at the latest within sixty (60) days, while for damages to property, at the latest within fifteen (15) days from the day of filing the compensation claim, process the claim and notify the injured party in writing of:
 - 1.1. Compensation offer with relevant explanations;
 - 1.2. The decision and the legal reasons for rejecting the compensation claim, when the liability and the amount of the damage are disputable.
2. If the submitted claim is not complete with the evidence and documentation necessary to decide on compensation, the insurer shall be obliged, not later than three (3) days from the day of receipt of compensation claim, to notify the injured party in writing, specifying the evidence and documentation required to supplement the claim. Time limits from paragraph 1 of this Article on insurer's obligation to process the compensation claims shall apply as of the day of receipt or the completion of claim documentation, respectively.

3. Being unable to establish the damage, or to have the compensation claim fully processed, respectively, the liable insurer shall be obliged to pay to the injured party the undisputable share of the damage in the form of an advance payment, within the time limit from paragraph 1 of this Article.

4. In case of non-compliance with the time limits specified in paragraph 1 of this Article, and non-fulfilment of the obligation to pay the advance payment from paragraph 4 of this Article, the liable insurer shall be considered to be late in fulfilling the obligation for compensation, hence being charged with interest rate for late payment. This interest rate shall be paid at 12% of the annual interest rate and shall be counted for each day of delay until the payment of compensation by the liable insurance company, starting from the date of filing the compensation claim.

Article 13

Compensation for damages caused by operating an uninsured motor vehicle

1. The person to whom damaged was caused within the territory of the Republic of Kosovo by an uninsured motor vehicle shall have the right to request compensation for damage from the Kosovo Insurance Bureau.

2. The Kosovo Insurance Bureau shall be entitled to a regress from the liable person for the payment these damages up to the amount paid, including reasonable expenses and interest rates.

Article 14

Compensation for damages caused by operating a motor vehicle with foreign registration plates

The injured party to whom the damage was caused in the territory of the Republic of Kosovo by a motor vehicle with foreign registration plates that has a green card valid for the territory of the Republic of Kosovo or other valid insurance document that guarantees motor liability insurance coverage, at least in the amounts specified in Article 13 of the Law on Compulsory Motor Liability Insurance, shall be entitled to file a compensation claim with the Kosovo Insurance Bureau.

Article 15

Compensation for damages caused by operating an unidentified motor vehicle

1. The injured party to whom damage has been caused by operating a motor vehicle that could not be identified shall be entitled to file a compensation claim with the Kosovo Insurance Bureau.

2. The injured party to whom damage was caused by an unidentified motor vehicle shall be entitled to compensation for damages to persons up to the amount specified in Article 13 of the Law on Compulsory Motor Liability Insurance.

3. The injured party to whom damage was caused by an unidentified motor vehicle shall be entitled to seek compensation for damage to property, with the exception of damages to motor vehicles up to the amount specified in Article 13 of the Law on Compulsory Motor Liability Insurance.

4. The injured party shall be obliged to report the damage caused by the unidentified motor vehicle to the road traffic police, within seven (7) days, in case of damage to property, and within thirty (30) days, in case of damage to persons, from the day of the accident. The injured party shall also be obliged to submit the case to the Kosovo Insurance Bureau within ninety (90) days.

Article 16

Compensation based on border insurance

1. The injured party to whom the damage is caused by operating a motor vehicle with foreign registration plates, equipped with border insurance as defined in paragraph 1 of Article 19 of the Law on Compulsory Motor Liability Insurance, shall be entitled to file a compensation claim with Kosovo Insurance Bureau.

2. The right to compensation based on border insurance shall be established in view of insurance amounts under Article 13 of the Law on Compulsory Motor Liability Insurance.

Article 17

Accident forms and reports

1. Participants involved in a traffic accident, in addition to the accident report drafted by the traffic police, shall complete, sign and exchange the "European Accident Statement" form. This completed and signed form serves as evidence of the accident when filing a compensation claim as well as for reporting the case by the insured to the insurer.

2. The insurer shall, when contracting motor liability insurance, submit the "European Accident Statement" form to the insured, together with the insurance policy. The driver of the motor vehicle shall be obliged to keep with him/her the form from paragraph 1 of this Article and exchange it with the other participant in the accident.

Article 18
Special conditions of motor liability insurance policy

All the insured who are insured after 01 July 2012 shall be subject to the bonus-malus system, which is defined by a special regulation.

Article 18
Punitive Measures

The CBK shall impose punitive measures provided for in Article 37 of the Law on Compulsory Motor Liability Insurance if insurers do not comply with the provisions of this Regulation.

Article 19
Entry into force

This Regulation enters into force on 1 August 2012.

Gazmend Luboteni
Chairman of the Board of Central Bank