



**REPUBLIC OF ALBANIA  
THE PARLIAMENT**

**LAW**

**No. 10 076, date 12 February 2009**

**ON COMPULSORY INSURANCE WITHIN THE TRANSPORT SECTOR**

Pursuant to Articles 78 and 83, paragraph 1, of the Constitution and, upon the proposal of the Council of Ministers,

**DECIDED:**

**CHAPTER I**

**GENERAL PROVISIONS**

**Article 1**

**Purpose**

This law regulates compulsory insurance within the transport sector.

**Article 2**

**Scope**

1. Compulsory insurance within the transport sector includes:
  - a) accident insurance of passengers in public transport;
  - b) insurance of the owner or user of the vehicle (hereinafter referred to as: the owner's insurance) against liability for damage caused to third parties; insurance of the owner or user (hereinafter referred to as: the owner's insurance) of an aircraft against liability for damage caused to third parties and passengers; insurance of the owner or user (hereinafter referred to as: the owner) of a motorboat or yacht against liability for damage caused to third parties..
2. The provisions set forth in this law shall not apply to specific means of transport of the Armed Force, which are determined in a mutual regulation between the Ministry of Defence and the Ministry of Finances.

**Article 3**

**Definitions**

The terminology used in this law, shall have the following meaning:

1. "Accident" means an event where damage has resulted from the use of a means of transport;

2. "Means of transport" means a motor vehicle, an aircraft and a vessel;
3. "Motor vehicle" means any motor vehicle, which moves on land, but not on tracks, propelled by its engine power, regardless of its number of wheels. Any full or semi trailer, whether or not attached to the towing vehicle, are also considered motor vehicles;
4. "User of a means of transport" means a natural or legal person using a means of transport upon consent of the owner;
5. "Driver" means a person operating a means of transport;
6. "Insurance policy" means an insurance contract according to the definition provided in the law "On insurance, reinsurance and mediation in insurance and reinsurance";
7. "Property damage", means damages caused as a result of damage or loss of property;
8. "Non-proprietary damage", means the biological, moral and existential damages caused to the injured party or its relatives as a result of death, body injuries and health deterioration;
9. "Insured party" means a person, whose property interest is insured;
10. "Injured party" means each person who has suffered damages and, who is entitled, under this law, to make a claim for compensation against losses or damages caused to him by a means of transport;
11. "Direct insurer" means an insurance undertaking, with which the injured party has concluded a third party liability insurance contract;
12. "Liable insurer" means an insurance undertaking, with which the owner of the means of transport who caused the damage has concluded a third party liability insurance contract;
13. "Uninsured vehicle" means a vehicle mentioned in paragraph 3 of this Article, for which an insurance contract for motor vehicle liability insurance has not been concluded or the insurance period has expired and the insurance contract has not been extended;
14. "Unidentified vehicle" means a vehicle, under paragraph 3 of this Article, where identification of either the vehicle or its responsible insurer has been impossible;
15. "Aircraft" means any transportation mean under the definitions set forth in the Air Code of the Republic of Albania;
16. "Air carrier" means an operator which has an attestation of capacity or another equivalent licence for operation in air transport;
17. "Aircraft operator" means a person, who determines the use or operation approach of an aircraft or a person, in whose name an aircraft is registered in the Albanian Register of civilian aircrafts or, in any another equivalent register of aircrafts;
18. "Flight of an aircraft" with respect to:
  - a) passengers and their personal luggage situated in an aircraft board, means the time, during which passengers are carried by aircraft;
  - b) cargo and checked-in luggage, means the period of transportation of of luggage and cargo from the time of check-in of luggage or handover of cargo to the respective air carrier until the time of their delivery to an authorized recipient or consignee;
  - c) third parties, means the period of use of an aircraft from the time of giving power the engines for the purpose of take-off to the time when an aircraft lands on the earth surface and its engines are completely brought to a halt, as well as, movement of an aircraft by means of a vehicle used for towing or pushing, or moving it;

19. "Vessel" and "Small vessel" means any floating vessel intended for sailing on the sea pursuant to Sea Code definitions;

20. "Area of the Green Card System Member States" means the territory of the member states of Green Card System under the rules or agreements of Bureaus Board;

21. "Territory, in which a vehicle is permanently based", means the territory of a the state:

a) whose registration plate the vehicle is bearing, regardless of whether the registration plates are permanent or temporary;

b) which issued the insurance plate or any other identification mark, similar to a registration number plate designed for motor vehicles in cases when the registration plate is not necessary for special types of vehicles;

c) in which the user has its habitual residence, in cases when a particular type of vehicle does not require registration plate or insurance card or another identification mark similar to registration plate;

d) in which a traffic accident has occurred, in the cases when a transportation vehicle involved in the accident does not have a registration plate or has a registration plate, which does not correspond or no longer corresponds to the vehicle;

22. "Crete Agreement" is the agreement, which regulates mutual relationship between Bureaus of Member States of the Green Card System;

23. "Green Card" means an international insurance certificate according to liability provisions of Crete Agreement;

24. "SDR" (*Special Drawing Rights*) means the basic calculation unit defined by the International Monetary Fund;

25. "MTOM (*Maximum Take Off Mass*)", means the maximum permissible mass of aircraft at take-off which corresponds to the certified mass specific for each type of aircraft and which is set out in the respective aircraft airworthiness certificate;

26. "Authority" means the Financial Supervisory Authority;

27. "Bureau", means the Albanian Insurance Bureau;

28. "Payable interest" means the penalty consisting of the official interest rate to be paid by a debtor when failing to pay the financial obligation within the defined deadlines.

#### **Article 4**

#### **Compulsory insurance**

1 The owner of any means of transport, pursuant to Article 2, paragraph 1 of this law, shall be obliged to conclude an insurance contract prior to the use of a means of transport in traffic and to ensure its renewal thereof as long as the means of transport shall remain in traffic.

2 If the means of transport is subject to the obligation of registration or licensing, and, according to law, it must have a registration or a licensing certificate, the responsible body may issue a registration certificate or any other document equivalent to it only after the owner of the means of transport shall confirm by evidence that he has concluded an insurance contract pursuant to this law;

3 If the means of transport, in accordance with laws on registration, is recorded in the name of the user of the means of transport, the provisions of this law applicable to the

owner of the means of transport shall be correspondingly applicable also to the user of the means of transport.

**Article 5**  
**Co-insured persons**

Liability insurance of the means of transportation owner against damages caused to third parties shall cover also damages, which are caused by persons using the means of transport by consent of the owner.

**Article 6**  
**Obligations of the driver**

1 While using the means of transport in traffic, the driver shall be obliged to keep with him the insurance policy or any other evidence of a concluded insurance contract and shall present it at any time upon request of an authorized official person.

2 By way of derogation from paragraph 1 of this Article, the air carrier or aircraft operator shall be obliged to produce, upon the request of the authorized officer, prior to take-off of the aircraft concerned, the insurance policy or any other evidence of a concluded contract concerning compulsory insurance.

3 In the event of a traffic accident, the driver shall be obliged to provide personal details and the details regarding compulsory insurance pursuant to this law, to all persons involved in the accident who might be entitled to indemnity claims on the basis of such insurance..

**Article 7**  
**Obligation to report**

Bodies authorized to carry out supervision of traffic, judicial and other bodies, conducting procedures following a traffic accident or, which have at their disposal details connected with a traffic accident, shall thereby provide to the insurance undertakings and the bureau traffic accident data for the purpose of settlement of indemnity claims.

**Article 8**  
**Compulsory insurance contract**

1 An insurance undertaking shall be obliged to conclude a compulsory insurance contract pursuant to the provisions of this law, the insurance conditions and insurance premium pricelist.

2 An insurance undertaking cannot refuse an application to conclude an insurance contract if the applicant accepts the conditions under which the insurance undertaking conducts such insurance.

3 Insurance conditions are an integral part of the insurance contract and they shall be made available to the insured person in the course of entering into and upon signing the contract.

4 The insurance conditions shall define the relationship between the contracted parties, in addition to those defined in this law.

5 The liability of the insurance undertaking deriving from the insurance contract shall begin upon the expiry of the 24<sup>th</sup> hour of the day listed in the insurance document as the date of commencement of coverage and shall cease upon the expiry of the 24<sup>th</sup> hour of the day listed as the expiry date of coverage, if not agreed otherwise in the insurance contract.

6 The insurance undertaking shall inform within a period of 15 days the Information Center, when it becomes aware that the insurance coverage held by an owner of a vehicle has expired.

### **Article 9** **Territorial validity of insurance**

1 The compulsory insurance contract, as referred to in article 2, paragraph 1, letters “a” and “d”, of this law shall cover damages or losses sustained in the Republic of Albania.

2 The compulsory insurance contract referred to in article 2, paragraph 1, letters “b” of this law shall cover damages and/or losses sustained in the Republic of Albania and the territory of the Green Card System Member States.

3 The compulsory insurance contract referred to in article 2, paragraph 1, letters “b” this law hereof, refers to the territory of the Republic of Albania and to the territories of the Member States of the Green Card Insurance system, unless otherwise agreed.

### **Article 10|\*** **Conditions and premium pricelists of compulsory insurance**

1. The Authority shall adopt the rules on the determination of the general terms of the compulsory insurance and the level of the technical provisions.
2. The insurance undertaking determines the insurance premium tariffs, in accordance with the market terms, and starts their application after it informs the Authority. Nevertheless the liberalization of the insurance premium tariffs, the insurance company must create the technical provisions at a level not lower than the one determined by the Authority, in accordance with paragraph 1 of this Article.
3. If the Authority determines that the general terms of insurance fail to comply with this law and its bylaws, it shall issue a decision instructing the insurance undertaking to comply with the legislation in question.

### **Article 11** **The right of an injured party to lodge compensation claim**

1 The injured party, pursuant to article 2, paragraph 1, of this law, shall be entitled to lodge a compensation claim to the liable insurer of the owner of the vehicle causing the accident. The claim for compensation may be presented either in a hard copy or electronically.

2 The claim for compensation may, according to paragraph 1 of this article, include compensation of property and non-proprietary damages.

3 The insurers may conclude an agreement between them, according to which a compensation claim on the basis of the damages caused to another motor vehicle by the use of a motor vehicle, may be settled by the direct insurer of the owner of the damaged vehicle.

4 The direct insurer shall be entitled to reimbursement by the insurer, liable for the payments, regarding the compensation carried out pursuant to paragraph 3 of this article, based on the conditions, limits and terms defined in the agreement between them.

5 In case of damages occurred in an accident involving two identified vehicles with a compulsory third party liability insurance contract, , the injured party may lodge a claim for compensation to the direct insurer, if the latter one has an agreement with the liable insurer in accordance with paragraph (3) of this act.

## **Article 12**

### **Procedure and deadlines for settling compensation claims**

1. The liable insurer shall be obliged to deal with every claim for compensation and in the end shall accomplish the following:
  - a) inform the injured party on the compensation amount adjusted by it, if the obligation of the liable insurer to pay compensation deriving from the third party liability insurance shall be confirmed;
  - b) in case of refusal of the compensation claim, inform in writing, the injured party about the refusal and the legal reasons leading to such decision.
2. The liable insurer shall be obliged to settle the claim for compensation and carry out the relevant notification pursuant to paragraph 1 of this Article by the deadlines described hereunder:
  - a) in the event of personal damages, no later than 90 days following the day of completion of the documentation accompanying the compensation claim;
  - b) in the event of property damages, not later than 30 days following the day of receiving the compensation claim.
3. If the liable insurer fails to provide a response to the injured party and misses the deadline stipulated in paragraph 2 of this Article, the injured party shall be entitled to file a civil case against the liable insurer.
4. In case of failure to meet the deadlines stipulated in paragraph 2 of this article, the injured party shall be hereby entitled to benefit the payable legal interest accrued for each day of delay of the compensation payment by the liable insurer starting as of the day when the compensation claim has been submitted.
5. Procedures according to paragraphs 2, 3 and 4 of this article shall not apply to the cases of accidents involving motor vehicles registered outside the country and possessing a green card.

## **Article 13**

### **Rules of dealing with indemnity claims**

1 Rules of dealing with indemnity claims, claims which are covered by the compulsory insurance contract under article 2, paragraph 1, of this article shall be hereby adopted upon a decision by the Authority;

2 The Authority shall supervise the functioning of the compensation system and the rules applied by the insurance undertakings to guarantee policyholders' protection, the proper development of the compensation operations and the insurance undertakings stability.

#### **Article 14**

##### **Administrative measures of the Authority**

The Authority may undertake the following administrative measures, in an escalatory manner, the liable insurer upon breach of the provisions of Article 12 hereof:

- a) publicly announce information about the improper practices of the liable insurer at his expense;
- b) withdraw the approval for the members of the directing bodies of the liable insurer;
- c) temporarily or permanently revoke the license for carrying out the relevant insurance activities, when it ascertains a considerable and repeated number of violations.

#### **Article 15**

##### **Subrogation claims of insurance undertakings**

An insurance undertaking which has, pursuant to this law or insurance conditions, compensated damages to an injured party e, however according to this law or insurance conditions was not liable, it shall be entitled to claim compensation from the person liable for the damages. Compensation shall include the amount paid for damages, other incurred expenses and the payable interest.

#### **Article 16**

##### **Application of individual provisions of this law to the Bureau, statistics and other data**

1 Provisions of Articles 11, 12 and 15 hereof shall be equally applied in case the Bureau is competent for settling the damages under the provisions of this law.

2 In the case of processing and payment of damages referred to in paragraph 1 of this act, the Bureau may entrust one of its members.

3 Insurance undertakings and the Bureau shall collect, process and store statistics and other data on insurance referred to in article 2 of this law.

4 Statistical data as set forth in paragraph 3 of this article shall be in particular data on insured persons, loss events, assessment and compensation.

5 Insurance undertakings and the Bureau shall be obliged to process the data set forth in paragraph 3 of this article based on statistical insurance standards and in accordance with the personal and other data protection legislation.

6 The Bureau shall define the content and form of data referred to in paragraph 3 of this article in addition to the manner and deadlines for submission of data.

7 The Bureau shall submit to the Authority at its request, the data set forth in paragraph 3 of this article.

## **CHAPTER II**

### **ACCIDENT INSURANCE OF PASSENGERS IN PUBLIC TRANSPORT**

#### **Article 17**

##### **Obligation to conclude an insurance contract**

1 The owners of means of transport that are used for the public transport of passengers are obliged to conclude a contract on accident insurance of passengers in public transport.

2 The contract referred to in paragraph 1 of this Article shall be concluded by the owners of:

a) buses used for city, inter-city and international public transport, including cases when the buses are rented;

b) buses transporting workers to and from work and buses of tourism companies used for the transport of tourists;

c) taxi-cabs and rent-a-car vehicles when hired with a driver;

ç) all types of marine, lake and river crafts, including ferries and rafts transporting passengers on regular routes and transport of tourists, as well as, sailboats;

d) all types of crafts referred to in item letter ç of this Article hired with, at least, one crew member;

dh) aircraft used for the public air transport of passengers;

e) cableways and transportation means moving on tracks, including trains, trams, subway, as well as, other means moving on tracks;

all other means of transport, regardless of power, used for public transport

#### **Article 18**

##### **Passengers in a means of transport**

1 Passengers shall be considered persons traveling in one of the means of transport designated for public transport, regardless of whether they have already purchased a ticket, but shall also include persons who are located on the grounds of a station, pier, port, airport or in immediate vicinity of a means of transport prior to boarding or or following disembarkation, who have the intention to travel on a particular means of transport or have travelled on it, with the exception of persons employed on the means of transport;

2 Passengers referred to in paragraph 1 of this Article shall include also those persons with the right to travel free of charge;

3 Persons found on aircraft, on the stairs or in the cabin without the consent of the owner of the aircraft or its crew shall not be considered passengers as referred to in paragraph 1 of this Article.

#### **Article 19**

##### **Liability of an insurance undertaking and sum insured**



1 The obligation of the insurance undertaking in the insurance contract referred to in Article 17, paragraph 1 hereof shall be represented by the insured amount valid on the day of the loss event, unless a higher amount has not been agreed in the insurance contract.

2 The minimum of the insured amount for each passenger covered by the insurance contract pursuant to article 17 of this law shall be defined as follows:

- a. in the event of death 2, 000, 000 Albanian Leks
- b. in the event of permanent disability 4, 000, 000 Albanian Leks

## **Article 20**

### **Entitlement to compensation**

1 A passenger experiencing an accident or a beneficiary in the event of death of a passenger shall, according to the insurance contract conditions, be entitled to ask the insurance undertaking, with which the insurance has been concluded, to meet the obligations deriving from the insurance contract directly to him;

2 If the owner of the means of transport, who has concluded a contract on insurance of passengers in public transport, is liable for the incurred damage, any compensation of damages due to the injured party under motor vehicle liability insurance, which is caused by the use of the means of transport, shall not include the amount due to the injured parties under compulsory insurance of passengers against accidents in public transport.

## **Article 21**

### **Payment of compensation to an uninsured passenger**

1 If the owner of a means of transport has not, according to the provisions of this law hereof, concluded a contract on insurance for passengers and an accident has occurred, the passenger or person who would be the beneficiary of such an insurance contract had it been concluded, shall be entitled to claim payment of the insured amount from the compensation fund.

2 The Bureau shall be entitled to claim reimbursement from the liable person for the paid sum, the expenses and the payable interest.

## **CHAPTER III**

### **COMPULSORY INSURANCE OF A VEHICLE OWNER LIABILITY FOR DAMAGES CAUSED TO THIRD PARTIES AS A RESULT OF THE USE OF THE MOTOR VEHICLE**

## **Article 22**

### **Obligation to conclude an insurance contract**

1 The owner of the vehicle shall be obliged to conclude a liability insurance contract for damages, which may be caused to third parties by the use of a vehicle and, the consequences of which may be in the form of or property damages and loss, death, body injuries, health deterioration and psychological integrity impairment.

2 The insurance contract referred to in Paragraph 1 of this Article shall also cover nonproprietary damages resulting in death, body injuries, health deterioration, impairment of physical and psychological integrity of passengers in the vehicle causing the accident as a result of its use.

3 The motor vehicle liability insurance shall not cover damage to the goods the owner of the vehicle causing damage has undertaken to transport and were located in or on the vehicle causing the damage.

4 The motor vehicle liability insurance shall also cover damages caused by either a towing vehicle or by the towed vehicle (trailer).

5 Both owners of vehicles shall be jointly liable for damages caused to third parties in cases if damages caused by the use of a towing vehicle or trailer when they are both connected into one integral unit or, when the accident occurs as a consequence of the detachment of the trailer from the towing vehicle. In such cases, the injured party may submit a claim for compensation of damages to either the insurer of the towing vehicle or insurer of the trailer.

6 The insurance undertaking, which compensates damages to the injured third party on the basis of paragraph 5 of this Article, shall be entitled to reimbursement of the paid amount, the expenses and the payable interest from the insurer of the towing vehicle or the insurer of the trailer, if the relevant insured party results to be liable for the damages, but within the framework of the liabilities of the insured party.

7 At the request of its insured party, the insurance undertaking shall be obliged to issue a confirmation of subsequently submitted claims for compensation of damages that the insurance undertaking has received from third parties based on the motor vehicle liability insurance of its insured party.

8 The confirmation referred to in paragraph 7 must cover a period of at least five years, while the insurance undertaking shall issue it within 15 days of the date the request was submitted. If the insured party has a less than 5-years relation with the insurance undertaking, the confirmation shall be issued for the entire ensured period.

### **Article 23**

#### **Exemption from insurance coverage**

On the basis of motor vehicle owner liability insurance, the following shall not be entitled to compensation of damages:

- a) the driver of vehicle causing the damage, including his legal heirs, in case of property and non-proprietary damages, which have been caused by the accident of this driver;
- b) the owner, co-owner and any other operator of the vehicle causing the accident for damages and this in regards to compensation of damages they suffered themselves as a consequence of the accident;
- c) every passenger, who voluntarily entered the vehicle which caused the accident and which is operated by a unauthorized driver, insofar as it is proved that the passenger was aware of these circumstances;
- ç) every passenger, who voluntarily entered an uninsured vehicle causing the accident, insofar as the Bureau proves that the passenger was aware of this circumstance;
- d) a person, who has appropriated the vehicle in an unlawful way and incurred damages due to the use of that motor vehicle;
- dh) a person injured under the following circumstances:

- i). due to use of a vehicle at sporting events held on roads or sections of roads closed for traffic, the goal of which is to achieve a fastest average speed or to train for such events;
- ii). due to the effects of nuclear energy when transporting radioactive materials;
- iii). due to war operations, revolts or terrorist acts, given that the insurance undertaking shall, in this case, confirm that the damage has been caused as a result of such events.

#### **Article 24**

##### **Compensation of damages in the event of forfeiture of insurance rights**

1 An insured person shall forfeit his insurance rights in the following instances:

- a) if the driver did not use the vehicle for purpose, for which it was intended;
- b) if the driver does not hold a valid driver's license for the appropriate type or category, except if during driving lessons, where a driving candidate was operating the motor vehicle and abiding by all regulations regulating such lessons.;
- c) if the motor vehicle driver's license has been confiscated or, if the driver has been barred from driving a specified type and category of the motor vehicle or, if the driver is subject to ban in terms of using a driving license issued by another state for the territory of the Republic of Albania;
- ç) if the driver has operated the vehicle under the influence of alcohol above the set limit and under the influence of narcotics or psychoactive substances;
- d) if the driver has caused the damage intentionally;
- dh) if the damage occurred because the vehicle was significantly technically defective and the driver was aware of this circumstance.

2 The forfeiture of insurance rights on the basis of letters "a" to "dh" of paragraph 1 of this Article shall have no influence on the right of an injured party in terms of lodging an indemnity claim to the liable insurer.

3 The insurance undertaking, which has, on the basis of letter "d" of paragraph 1 of this Article, paid damages to the injured party shall be entitled to compensation for the entire amount paid in damages, interest and expenses by the person liable for the damages.

#### **Article 25**

##### **Compensation in the event of unauthorized driving**

1 If the damage has been caused by an unauthorized operation of the vehicle, the injured party may lodge a compensation claim to the liable insurer, except in the case set forth in subparagraph "c" of paragraph 1 of Article 23 of this law hereof;

2 An unauthorized driver shall be considered a person who, at the time of the accident, is operating the vehicle without the consent of the owner, is not employed by the owner to drive the car, is not a member of his/her family and the vehicle was not handed over to him by the owner of the vehicle;

3 The insurance undertaking, which pays the compensation, shall, pursuant to paragraphs 1 and 2 of this article, be entitled to get compensated by the liable person for the entire amount paid in damages, interest and expenses.

**Article 26**  
**Liability of an insurance undertaking and sum insured (Coverage limit)**

1 The obligation of an insurance undertaking, which stems from the insurance contract defined in Article 22 hereof, shall consist of the minimum coverage amounts valid on the day of the loss event, except for the case when insurance contract defines a higher amount;

2 The minimum amount of liability to be covered by the insurance contract pursuant to paragraph 1 of this Article for damages caused in the territory of the Republic of Albania shall be as follows:

a) For property damages resulting in death, health damages and health deterioration caused by an accident or a number of accidents due to loss event:

- i). for buses and freight vehicles, including trailers 150,000,000 Albanian Leks
- ii). for vehicles transporting hazardous substances 200,000,000 Albanian Leks
- iii). for other vehicles including unidentified vehicles 50,000,000 Albanian Leks

b) for personal damages caused by an accident or a number of accidents due to loss event as follows:

- i). personal and existential damage resulting from death or partial and permanent impairment 1,000,000 Albanian Leks
- ii). personal and existential damage resulting from other damages 500,000 Albanian Leks
- iii). personal damage resulting from permanent total impairment 2,000,000 Albanian Leks
- iv). existential damage resulting from death or permanent total impairment 1,500,000 Albanian Leks;
- v). biological damage resulting from death or from permanent total impairment 1,000,000 Albanian Leks;

c) The minimum liability limit for any person injured in a loss event based on the provisions set forth in letters “a” and “b” of this article: 20,000,000 Albanian Leks

ç) For damages linked with damaging or destruction of property resulting from a loss event:

- i). for buses and freight vehicles, including trailers 15,000,000 Albanian Leks
- ii). for vehicles transporting hazardous substances 20,000,000 Albanian Leks
- iii). for other vehicles including unidentified vehicles 10,000,000 Albanian Leks

3 If there are several injured parties and the total compensation exceeds the amount set forth in paragraph 2 of this Article, the rights of the injured parties in terms of insurance undertaking shall be reduced proportionally;

4 An insurance undertaking, which pays to one injured party an amount greater than the due amount resulting from the proportional reduction of compensation, since, regardless of measures undertaken, it could not be envisaged that there would be additional injured parties, the insurance undertaking shall be liable to such other parties only up to the amount defined in paragraph 2 of this Article;

5 The minimum limits of insurance coverage by the Green Card shall be determined based on the relevant legislation of the country where the accident happens;

**Article 27**  
**Subrogation claims of a holder of social security**

1 An insurance undertaking shall be obliged to compensate damages of institutions, which cover health, pension and disability insurance within the framework of the liabilities of their insured person and within the limits defined in the in the insurance contract.

2 Damages, according to paragraph 1 of this Article, shall include medical and other necessary expenses carried out in compliance with legislation on health insurance, including also a proportional amount of pension of the injured party or of the members of their family.

3 The proportional amount of pension shall be determined, according to the pension insurance legislation, as a difference between disability pension determined by virtue of a decision of the Social Insurance Institute and the disability pension determined in the case of occupational accident.

4 The provisions of paragraphs 1, 2 and 3 of this Article shall be correspondingly applied also to claims for compensation of damages paid on the basis of voluntary health, pension, life or similar insurance to them.

### **Article 28**

#### **Change of vehicle ownership**

1 If ownership over a vehicle changes during the period of insurance coverage, the rights and responsibilities arising from the contract on motor vehicle liability insurance shall be transferred to the new owner and shall last until the expiry of the insurance contract, including also the rights and obligations set forth in Article 8 of this law hereof. The new owner shall, within 8 days, be obliged to inform the insurance undertaking about the change of vehicle ownership and recording of this change in the insurance contract.

2 Bodies competent for the registration of vehicles shall be obliged to notify the Bureau and the Information Center about the change of ownership within 8 calendar days.

### **Article 29**

#### **Compensation of damages caused by use of an uninsured vehicle**

1 An injured party, to which the injury is caused within the territory of the Republic of Albania by use of a motor vehicle, the owner of which is not covered by third party liability insurance, shall be entitled to seek compensation for the damage from the Bureau.

2 In case of a damage and losses caused by motor vehicles, according to paragraph 1 of this Article, the Bureau shall guarantee for the liabilities up to the limits specified in Article 26, Paragraph 2 of this law.

3 The Bureau may delegate settlement and payment of such claims to one of its members or to a claims settlement specialized structure, which shall be obliged to settle and compensate the claims at the expense of the Guarantee fund.

4 The Bureau shall be entitled to get compensation for the paid amount, expenses and interest from the person liable for damages.

### **Article 30**

#### **Compensation of damages caused by use of unidentified vehicles**

1 The injured party shall seek compensation from the Bureau for damages caused by the use of unidentified vehicles.

2 The injured party shall be entitled to compensation for non-proprietary damages occurring as a result death, bodily injury or health deterioration up to the amount defined in Article 26, paragraph 2 of this law hereof.

3 The injured party shall be entitled to compensation for damages due to damage of the things with excess in the amount 25,000 (twenty five thousand) Albanian Leks, up to the amount referred to in paragraph 2 of this Article, but excluding the damage caused to the motor vehicle. The injured party shall be entitled to compensation of damages following the compensation by the Bureau of the non-proprietary damages caused by the accident in the form of death, body injuries or health deterioration.

4 In case of post identification of the vehicle causing the accident or, of the liable insurance undertaking, the Bureau shall be entitled to compensation from the liable person or liable insurance undertaking to the amount paid in damages, expenses and interest.

5 Provisions set forth in paragraphs 1, 2 and 3, shall apply also in the case when the motor vehicle was appropriated in an unlawful way at the moment of the accident.

### **Article 31**

#### **Compensation of loss in case of dissolution or liquidation of an insurance undertaking**

1 In the event of cessation of operations of an insurance company based on the legally valid decision, the injured party shall be entitled to lodging a claim for compensation of damages to the Bureau.

2 An injured party shall be entitled to compensation of damages up to the amount defined in Article 26, paragraph 2 of this law hereof.

3 In the event of payment of damages in the course of insurance undertaking bankruptcy proceedings, the Bureau has the right to be compensated by the insurance undertaking, which is undergoing the legal procedures, in the amount of paid damages, expenses and interest. Insofar as bankruptcy proceedings against the insurance undertaking are in progress, the Bureau shall be entitled to compensation for all amounts from the bankruptcy estate of the insurance undertaking.

### **Article 32**

#### **International insurance documents of vehicles with foreign registration**

1 A driver who enters the territory of the Republic of Albania in a vehicle with foreign registration shall have the following:

- a) the Green card valid for the territory of the Republic of Albania;
- b) other valid document confirming the existence of third party liability insurance, in those cases when there is a special bilateral agreement including vehicles that bear the registration plate of another country, which is a signatory of this agreement.

2 To recognize the validity of international insurance documents according to paragraph 1 of this Article, the Bureau shall notify in advance the authorities in charge of border control.

3 The competent authorities in charge of border control shall be obliged to check compliance with the conditions stipulated in paragraph 1 of this Article.

**Article 33**  
**Entitlement to compensation**

1 The injured party, to which a damage has been caused in the territory of the Republic of Albania by a vehicle with foreign registration and with the international insurance documents may, pursuant to Article 32, paragraph 1 hereof, lodge a claim for compensation of damages to the Bureau.

2 In the event of a damage caused by use of the vehicle as referred to in paragraph 1 of this Article, the Bureau shall provide guarantees for liabilities up to the amount specified in Article 26, paragraph 2 of this law hereof.

3 The Bureau may delegate the processing and payment of such claims to its members or to an organization specialized in the settlement of the aforementioned damages, which shall be obliged to settle the claim in accordance with international agreements on compulsory motor vehicle liability insurance resulting from the use of motor vehicles.

**Article 34**  
**Border insurance against motor vehicle liability**

1 A driver of a vehicle with foreign registration, who fails to have a valid international document of motor vehicle liability insurance referred to in Article 32, paragraph 1 of this law hereof, shall be obliged to conclude a contract for motor vehicle liability insurance (border insurance), which shall be valid for the territory of the Republic of Albania with a validity period sufficient to cover his stay in territory, albeit not less than 15 days.

2 If the driver of the vehicle has not concluded a border insurance contract according to paragraph 1 of this Article, he shall not be allowed to enter the territory of the Republic of Albania.

3 Monitoring the fulfillment of obligations by drivers of motor vehicles with foreign registration referred to in paragraph 1 of this Article shall be carried out by the persons authorized to conduct border control in the Republic of Albania.

4 If the persons authorized to conduct traffic control observe in the course of routine traffic check that the driver/possessor of the vehicle does not have a valid international document or evidence to confirm the existence of compulsory motor vehicle liability insurance referred to in paragraph 1 of this Article, they shall prevent further driving of the vehicle in the country and they shall therefore order concluding of a border motor vehicle liability insurance contract.

**Article 35**  
**Entitlement to compensation for a loss based on border insurance**

1 The injured party, which has been subject to damage caused by the use of a vehicle, which has foreign registration and, which has been insured by a domestic insurance undertaking as referred to in Article 33, paragraph 1 of this law hereof, shall be entitled to lodge a claim for compensation of damages to the liable insurance undertaking, which has issued the policy or to the Bureau, unless otherwise defined.

2 The injured party shall be entitled to claim compensation of damages within the limits defined in Article 26, paragraph 2 of this law hereof.

3 If, according to paragraph 1 of this Article, the injured party seeks compensation of damages from the insurance undertaking, which has issued the insurance policy, the provisions of Article 11, 12 and 14 hereof shall be equally applied.

4 If the injured party seeks compensation of damages as referred to in paragraph 1 of this Article from the Bureau, the provisions of Article 16 hereof shall be equally applied.

### **Article 36**

#### **Entitlement to compensation for a loss caused by an uninsured vehicle with foreign registration**

For compensation of damages caused by the use of a vehicle with foreign registration, which fails to have either a valid international document as defined in Article 32, paragraph 1 of this law hereof, or a border policy as defined in Article 34, paragraph 1 of this law hereof, the provisions of Article 29 shall hereby apply.

### **Article 37**

#### **The form for the friendly report of the event**

1 Participants involved in a traffic accident shall, apart from the offence observation transcript by the traffic police, fill out, sign and exchange the friendly report of the event based on a form adopted by the Authority. A correctly filled out form may be used by the injured party and by the insured party as an application for compensation of damages on the basis of motor vehicle liability insurance against damages resulted from the use of the motor vehicle.

2 The insurance undertaking shall be obliged to deliver to the policy holder a friendly report form of the event along with the insurance policy.

3 When operating a vehicle in the traffic a driver shall be obliged to carry with him the friendly report form of the event, which he shall present upon the request of the persons authorized to supervise the traffic and shall submit it to the insurer at the moment of concluding new policy.

## **CHAPTER IV**

### **COMPULSORY INSURANCE INFORMATION CENTER**

#### **Article 38**

#### **Establishment of the Insurance Information Center and the type of data it should manage**



1 The Information Centre shall be established for the purpose of providing reliable statistics, regulating the practices, avoiding fraud cases and ensuring efficient and appropriate indemnification of the injured parties. The Information Centre shall:

- :
- a) establish an electronic database to store the information obtained from the insurance undertakings, which are related to all types of compulsory insurance referred to in Article 2 of this law;
  - b) collect and store the data of motor vehicles, which are registered in the Republic of Albania; these data shall be provided to it by the relevant authorities and shall link these data with the data collected according to paragraph 1 of this article;
  - c) collect and store the data belonging to policies of all types of compulsory insurance including the Green Card certificates and border policies. Data referred to in this paragraph shall contain the policy number, insurer's name, starting and expiration date of the policy, vehicle registration number in addition to other data as required by the rules adopted by the Authority;
  - ç) collect and store the data on insurance undertakings offering compulsory insurance;
  - d) collect and store data of insurance undertakings, data on claims for all types of compulsory insurance to be updated, but not later than one day of obtaining the data;
  - dh) collect and store data on the entities operating in public transport, which have a license to carry out passengers public transport; these data shall be provided by the relevant authorities;
  - e) collect and store information on the motor vehicles, which are exempted from the obligation of having compulsory third party liability insurance, as well as, the information for the authorities, which are liable to compensate damages caused by these motor vehicles. Information, referred to in this paragraph, shall be collected according to the procedure set forth in Article 39, paragraph 5, of this law.

2 The insurance undertakings shall be obliged to timely provide the Information Center with information according to paragraph 1 about every case of selling any compulsory insurance policy, except for the cases when the Albanian Authority shall decide otherwise. The Authority shall adopt regulations on the functioning of the Center and determines the method and procedures for reporting the information as defined in paragraph 1 of this article.

3 The Information Center shall hereby collect, process and store the information according to paragraph 1 of this article, and it shall make this information available to authorized persons in accordance with the conditions, and procedures set forth in this law. The data referred to in paragraph (1) will be kept for a minimum of seven years from the day of the termination of the data registration.

4 In the case of personal data processing, the law on the protection of the personal data will apply.

5 Insurance undertakings shall contribute financially for the establishment and operation of the Information Center and the Authority shall use the contributions collected from insurance undertakings to maintain, operate and develop the Information Center. The structure, the activity and the amount of financial contribution will be determined through a regulation by the Authority

## **Article 39**

### **Issuing of information to the injured party**

1 The Information Center shall, according to this law, facilitate provision and usage of data collected according to this law to all injured parties and to those involved in a traffic accident. The Information Center shall be obliged to provide to the injured party, based on its entitlement to compensation,, the following data:

- a) the name, the head office and the registered office of the liable insurer;
- b) the insurance policy number;
- c) the name and the address of the undertaking, the head office and the registered office of the claims representative in the country where the injured party lives.

2 The Information Center shall in addition provide information on the identity and the address of the owner or driver of the vehicle, has a legitimate legal interest in obtaining such information.

3 The Information Center shall also provide information to the injured party about the entitlement to compensation, which derives from the passengers' compulsory insurance against accidents, information about the name and the main office of the insurance undertaking, number of insurance policy, as well as, information on insurance undertaking. Additionally, it must provide data on the public transport company, if the injured party has a legal reason to obtain this information.

4 The Information Center shall apply for the necessary data at the Information Centers of the relevant countries about the information referred to in paragraph 1 of this article with regard to insurance contracts concluded outside the territory of the Republic of Albania and with regard to motor vehicles, which are registered outside the Republic of Albania. The Information Center shall therefore be obliged to provide the available information to other Information Centers of foreign states upon their request.

5 When the Information Center fails to have any information about the identity or address of the persons, as referred to in paragraph 2 of this article, or, about the name and main office of the insurance undertaking, as referred to in paragraph 3, it shall acquire the information based on an application presented in writing to the insurance undertaking, which has concluded the policy, or to the authorities assigned to store those data.

6 To obtain the information according to paragraphs 1, 2 and 3, the injured party shall hereby specify, when filling in the template application form, the exact date, the location of the insurance case occurrence, motor vehicle registration number and other additional information, if any.

7 The Information Center shall be obliged to provide its available information referred to in this article not later than 5 working days of the delivery by the insured person of the application in writing.

## **Article 40**

### **Information provision by the insurance undertaking**

1 Every insurance undertaking, which provides compulsory liability insurance for damages caused to third parties or, passenger accidents insurance in public transport, shall

report about the concluded contracts and about those contracts, the term of which has expired, according to the rules and procedures defined by the Authority.

2 The insurance undertakings shall, pursuant to paragraph 1 of Article 42, annually submit to the Information Center an official list of representation offices located in the member states in addition to information about the claims representatives and it shall update this information not later than 15 days of the day when the information is modified.

#### **Article 41**

##### **Exchange of information and cooperation with competent public authorities**

1 Authorities responsible for monitoring the road traffic, maritime, air and border crossing traffic, monitoring of customs service and administration of road transport services shall provide the Information center with the data stipulated in this law hereof.

2 The Information Center shall provide to the competent authorities, as referred to in paragraph 1 of this article, the updated information on the following:

- a) transport means, which fail to have valid compulsory third party liability insurance or, the policy term of which has expired and has not been renewed within 14 days;
- b) entities, which operate in passengers public transport and, which fail to have a compulsory passengers' insurance contract against accidents or, the insurance contract term of which has expired and it has not been renewed within 14 days.

3 The responsible authorities, as referred to in paragraph 1 of this Article, shall take measures to immediately ban transport vehicles movement, when they are under the conditions set forth in paragraph 2 of this Article.

4 The forms, the ways and the deadlines of exchanging information and cooperation referred to in this Article must be determined upon a sub legal act adopted by the Ministry of Interior, Ministry of Transport and the Authority.

### **CHAPTER V**

#### **THE ALBANIAN INSURANCE BUREAU, THE GUARANTEE AND COMPENSATION FUND**

##### **Article 42**

##### **Albanian Insurance Bureau**

1 Albanian Insurance Bureau is a legal entity, with its main office located in Tirana and with no profit making goals thereof.

2 Every insurer, which is licensed to carry out activity pursuant to Article 2, paragraph 1, letters "a" and "b", of this law shall be a member of the Bureau. The insurer

may not, pursuant to Article 2, paragraph 1, letters “a” and “b”, of this law, carry out compulsory insurance activity without being a member of the Bureau.

3 The initial contribution of the insurer to become a member of the Bureau shall be defined in the Bureau’s Charter and it shall be mandatory to pay it in Bureau’s favor.

4 The Bureau shall authorize its member to issue the Green Card after it meets all legal requirements and all other criteria adopted by the members’ general assembly in accordance with the Green Card system rules.

5 The Bureau shall be the national representative in the Bureaus’ Board and it shall be responsible for all other obligations stemming from being a member of the Green Card system.

6 The Bureau shall carry out functions of the compensatory entity when making the payments stipulated by this law. The Compensation Fund shall cover the necessary funds for compensation

7 The organization and functioning of the Bureau shall be determined by its Charter. The budget shall be equally funded by all members of the Bureau within 30 calendarian days after its approval by the Authority.

8 The supervision of the Bureau shall be carried out by the Authority, which shall determine by means of special regulation the rules and the standards of reporting and supervision.

9 The Annual Financial Report of the Bureau shall become subject to legal auditing and certification by the authorized accountants company, which shall provide its opinion. The auditing conditions and criteria of the insurance undertaking shall be applied when auditing the Bureau.

### **Article 43**

#### **Albanian Insurance Bureau Leading Bodies**

1 The leading bodies of the Bureau are the following:

- a) Members General Assembly
- b) Administrative Board
- c) Executive Director

The Members General Assembly is constituted by representatives of insurance undertakings who are Bureau members. Every insurance undertaking, in the capacity of a member of the Assembly, shall be entitled to one vote during the meeting of the General Assembly.

The Administrative Board shall consist of no less than 8 members where 7 of them are elected by the members’ general assembly and have the right to vote, while 1 member is elected by the Authority and has no right to vote. Election of the administrative board chairperson shall be conducted based on the procedures as defined in the Bureau’s Charter.

2 The Bureau’s General Assembly shall appoint the Executive Director following the prior approval of the Authority. The Authority shall approve or refuse the Executive Director in not later than 15 days of the day of the delivery of the General Assembly

decision. The Executive Director shall meet all necessary legal requirements concerning qualification, experience and eligibility of a member of an insurance undertaking directorate as set forth in law 9267, date June 29, 2004 ““On the insurance, reinsurance and intermediary activity in insurance and reinsurance”. The Executive Director of the Bureau shall be appointed for a three-year term with the right to renew it. The Executive Director shall attend all meetings of the administrative board.

3 The authorities and tasks of the Bureau leading bodies and its form of organization shall be defined in the Charter, which is to be proposed by the General Assembly and approved by the Authority.

#### **Article 44** **Green Card Guarantee Fund**

1 The Green Card Guarantee Fund shall be administered by the Bureau and its goal shall be to guarantee financial obligations deriving from Green Card System membership.

2 Every member of the Bureau authorized to issue the Green Card, must deposit in one of the second level banks in Albania a bank guarantee in the name of the Bureau at the amount defined by the members’ assembly, but not less than 200,000 Euro.

3 The contribution of each member to the Green Card Guarantee Fund, the deadlines for its payment, the renewal procedures, as well as, reestablishment deadlines shall be annually approved by the A Authority, upon the proposal of the Members’ General Assembly.

4 The Green Card Guarantee Fund shall be used:

a) in cases when a Bureau member, who is responsible for the compensation payment fails to pay the financial obligations according to the rules of Green Card system;

b) to pay claims arising from damages that have occurred outside the territory of the Republic of Albania in a member country of the Green Card system when the accident is caused by the motor vehicle registered in Albania and, which is provided with a counterfeited Green Card, for which the Bureau is liable under the rules of the Green Card system;

c) when the Guarantee Fund may be used by the Bureau upon a decision of Members’ General Assembly.

5 The Green Card Guarantee Fund shall not, according to the provisions of the law, which regulates the insurance activity in Albania, be included in the calculation of the guarantee fund of the insurance undertaking.

#### **Article 45** **Compensation Fund**

1. The Bureau manages the compensation fund and its purpose, according to provisions set forth in articles 21, 29, 30 and 31 of this law, shall be to pay the property and non-proprietary damages occurring in the territory of the Republic of Albania.

Insurance undertakings, which operate in motor vehicle compulsory insurance in the territory of the Republic of Albania, shall be obliged to provide every year a financial contribution to the Compensation Fund in proportion to the premium achieved for a

particular type of compulsory insurance in the preceding year Other resources of the compensation fund come from:

- a) reimbursement to the Bureau by persons liable for damages.
- b) additional contributions of the insurance undertakings, when the designated fund turns out to be insufficient to make payments according to paragraph 1 of this article.
- c) fines imposed on the transport vehicle owners, if they have failed to conclude compulsory insurance contracts set forth in this law;
- ç) revenues generated by the investment of funds resources;
- d) other resources, which are allowed by the law;

4 The Authority, upon the proposal of the Bureau's Board, shall determine annually the amount of contributions and the deadline for payment of contributions referred to in paragraph 1 and 3, letter "a" of this Article

5 Payment of compensation out of the compensation fund shall be made only in case of amounts, for which the injured person is not able to benefit from social insurance or from any other insurer, with which it may have entered into an insurance contract to benefit indemnification and within the limits defined in this law.

#### **Article 46**

1 The Compensation Fund shall be kept separately in an intentioned account inside the territory of the Republic of Albania. The compensation Fund may be invested in Government Securities and bank deposits for a maturity term of no longer than three months.

2 The Board of Bureau shall present to the Authority the regulation on the administration of the Guarantee and Compensation Fund for approval. The Authority may adopt additional rules concerning the method of keeping and using these assets to cover these funds.

3 The Bureau shall to submit a monthly report t to the Authority on the state of the assets intended to cover the Guarantee Fund and the Compensation Fund.

4 The Bureau shall be subject to the obligation of immediately informing the Authority, if the insurance undertaking fails to comply with the provisions stipulated in Article 48, paragraph 1, and Article 49, paragraphs 1 and 2, of this law. If the insurance undertaking fails to abide by the sanctions set forth in this law with regard to violations of provisions referred to in this paragraph, the Authority shall revoke the license issued to the insurance undertaking to carry out compulsory insurance activity.

#### **Article 47**

##### **Settlement of claims arising from damages occurring outside the territory**

1 The Bureau shall assist the injured party, which is an Albanian citizen and has permanent residency in the Republic of Albania, to settle the compensation claim for the damage caused during a traffic accident, occurred in a Green Card system member state.

2 The injured party may present a claim according to paragraph 1 of this Article, only in cases when the liable insurance undertaking or its claims representatives have failed to meet their obligations.

3 The claims, according to paragraph 1 of this article, shall be settled in accordance with the aforementioned commitments undertaken under the international multilateral agreements.

## **CHAPTER VI**

### **AIRCRAFT OWNERS' THIRD PARTY LIABILITY INSURANCE**

#### **Article 48**

##### **Obligation to conclude an insurance contract**

1 The owner of the aircraft registered in the Albanian registry of civilian aircrafts shall conclude a liability insurance contract for every damage and/or loss caused to third parties in the course of the aircraft use.

2 The insurance contract referred to in Paragraph 1 of this Article shall cover the following:

- a) damages caused to third parties resulting in death, body injuries, deterioration of health condition and damage or destruction of property in the course of the aircraft flight;
- b) damages caused to passengers resulting in death, body injuries and deterioration of passengers' health in the course of the aircraft flight;
- c) damages to or losses of passengers' personal belongings, which are situated in the cabin of the aircraft;
- ç) damages to or losses of cargo and checked-in luggage;

3 A third party is each person other than a passenger and member of flight and cabin crew of an aircraft during a flight by aircraft.

4 The passenger referred to in paragraph 2, letter "b" of this Article includes each person who is transported by aircraft with the air carrier's or aircraft operator's consent. The term passenger does not include the members of flight and cabin crew of the respective aircraft who are on duty during a flight by aircraft.

5 The insurance contract referred to in paragraph 1 of this Article shall not cover losses referred to in paragraph 2, letters "c" and "ç" of this article if an aircraft is not used for commercial purposes.

6 The insurance contract referred to in Paragraph 1 of this Article shall cover also damages and/or losses caused by acts of war or terrorism.

7 By way of derogation from what is stipulated in paragraph 6 of this Article, for aircrafts with MTOM up to 500 kg, the insurance contract referred to in paragraph 1 of this Article shall not cover damages and/or losses d caused by acts of war or terrorism.

8 The owner of an aircraft, which is registered outside the territory of the Republic of Albania and, which carries out flights in the air space of the Republic of Albania must have a valid liability insurance contract for the damages and/or losses referred to in paragraph 2 of this Article, apart from cases when an international agreement stipulates otherwise.

9 By way of derogation from what is stipulated in paragraph 8 of this Article, the owner of an aircraft, which is not registered in the Republic of Albania and the flights of which do not include landing at or take-off from the territory of the Republic of Albania, but

only operation of flights over the air space, shall not be subject to the obligation set forth in paragraph 2, letter “b”, “c” and “ç” of this Article.

**Article 49**  
**Insurance undertaking liability and sum insured**

1. The liability of the insurance undertaking under the insurance contract referred to in Article 48, Paragraph 1 of this Law shall correspond to the effective sum insured on the date of occurrence of the loss event, unless a higher sum insured is provided under the insurance contract.
2. The lowest sum insured per single loss event defined in the insurance contract as referred to in Paragraph 1 of this Article shall be as follows:
  - a) in respect of damages and/or losses caused to third parties;
    - i) for paragliders and motor gliders, as well as hang-giders that are operated from the land, the MTOM of which is over 20 kg, the limit of liability shall be no less than 10,000 SDR
    - ii) for unattached balloons with crew, the limit of liability shall be no less than 20,000 SDR
    - iii) for aircrafts, whose MTOM is as follows:

- from 20 to 500 kg	750,000 SDR
- from 501 to 1,000 kg	1,500,000 SDR
- from 1,001 to 2,700 kg	3,000,000 SDR
- from 2,701 to 6,000 kg	7,000,000 SDR
- from 6,001 to 12,000 kg	18,000,000 SDR
- from 12,001 to 25,000 kg	80,000,000 SDR
- from 25,001 to 50,000 kg	150,000,000 SDR
- from 50,001 to 200,000 kg	300,000,000 SDR
- from 200,001 to 500,000 kg	500,000,000 SDR
- above 500,000 kg	700,000,000 SDR

- b) for one passenger 250,000 SDR
- c) for personal belongings of passengers which are situated in an aircraft cabin 1,000 SDR
- ç) for cargo and checked-in luggage, 17 SDR per kg.

3 Apart from what is stipulated in paragraph 2, letter “b” of this Article, the lowest sum insured per single loss event as defined by the insurance contract referred to in Article 48 Paragraph 1 of this Law for aircrafts, the MTOM of which is 2,700 kg or less and, which are not used for commercial purposes, shall amount to a lower level of liability but not less than 100,000 SDR per passenger.

**CHAPTER VII**  
**VESSELS OWNERS’ THIRD PARTY LIABILITY INSURANCE**



**Article 50**  
**Obligation to conclude an insurance contract**

1 The owner of small size vessel with engine power greater than 15 kW, which according to regulations on registration of boats must be entered in the vessels logbook, shall be obliged to conclude a liability insurance contract for property and non-proprietary damages caused to third parties.

2 The third parties referred to in Paragraph 1 of this Article shall not include persons on board of the vessel causing the damage, nor persons on board of the other vessel or persons on board of any other vessel.

3 An owner of a foreign vessel, which sails into the territorial waters of the Republic of Albania, shall have a valid third party liability insurance contract as referred to in paragraph 1 of this Article unless there is another guarantee for compensation of damages, or unless has been determined otherwise by international agreements.

4 The provisions of this Article shall be also applied to the liability of owners of small size engine driven vessels during navigation in the inland waters of the Republic of Albania.

**Article 51**  
**Sum insured**

1 The obligation of the insurance undertaking regarding compensation of damages pursuant to article 50 hereof, shall be equal to the insured sum valid as of the day of the loss event, except for cases when a higher amount has been determined by an insurance contract.

2 The minimum sum insured in the insurance contract pursuant to the provisions set forth in paragraph 1 of this article shall be 50, 000, 000 Albanian Leks per each single loss event.

**CHAPTER VIII**  
**ADMINISTRATIVE SANCTIONS**

**Article 52**  
**Violation of provisions by the insurance undertaking**

1 The Authority shall impose a fine from 100,000 to 300,000 Albanian Leks against an insurance undertaking and against a branch of foreign insurance undertaking if they fail to deliver to the insurance policyholder the terms and conditions pursuant to Article 8, Paragraph 3, of this law;

2 The Authority shall impose, in case of the violation of the provisions set forth in paragraph 1, a fine from 50,000 up to 100,000 Albanian Leks against the liable persons of the insurance undertaking.

3 The Authority shall impose a fine from 500,000 to 1,00,000 Albanian Leks against an insurance undertaking and against the branch of foreign insurance undertaking if:

- a) the insurance undertaking and the branch of the foreign insurance undertaking concludes an insurance contract contrary to Article 8, Paragraph 1, of this law;
- b) applies general terms of insurance contrary to Article 10, of this law;\*

c) the insurance undertaking and the branch of the foreign insurance undertaking, which carries out compulsory insurance activity according to Article 2, paragraph 1, letter “b” of this law, is not a member of the Bureau.

ç) the insurance undertaking and the branch of the foreign insurance undertaking fails to pay the contributions to the green card guarantee fund and the compensation fund, as well as, the contributions to the administrative budget, in compliance with articles 42, paragraph 7, article 44, paragraph 2, article 45, paragraph 2 and 3, letter “b” of this law hereof.

4 The Authority in case of violation of provisions set forth in paragraph 3 of this Article, shall also impose a fine from 100,000 up to 200,000 Albanian Leks on the responsible persons of the insurance undertaking.

5 The Authority shall impose a fine from 500,000 to 1,00,000 Albanian Leks against an insurance undertaking and against the branch of the foreign insurance undertaking if:

a) the insurance undertaking and the branch of the foreign insurance undertaking declines the proposal to conclude an insurance contract contrary to Article 8, Paragraph 2 of this Law;

b) the insurance undertaking and the branch of the foreign insurance undertaking starts to apply insurance terms and conditions and premium tariffs without notifying the supervisory authority of the insurance terms and conditions and the technical basis it uses within the time period specified in Paragraph 2 of Article 10 of this law; **(repealed)\***

c) the insurance undertaking and the branch of the foreign insurance undertaking fails to submit to the injured parties a substantiated offer or a reasoned reply within the time period defined in Article 12, paragraphs 1 and 2 of this law;

ç) the insurance undertaking and the branch of the foreign insurance undertaking fails to pay to the injured party the amount corresponding to the indisputable portion of the claim pursuant to the provisions set forth in Article 12 of this law;

d) the insurance undertaking and the branch of the foreign insurance undertaking acts in violation of Article 16 of this law;

6 In case of violation of provisions set forth in Paragraph 5 of this Article, the Authority shall also impose fines from 50,000 up to 100,000 Albanian Leks on the responsible persons of the insurance undertakings.

7 The Authority shall impose a fine ranging from 50,000 up to 100,000 Albanian Leks against the insurance undertaking, if the insurance undertaking refuses to pay the financial contribution and to provide the data as set forth in article 38, paragraphs 3 and 5 of this law.

8 The Authority shall impose a fine ranging from 50,000 up to 100,000 Albanian Leks on the responsible persons of the insurance undertaking in case of violation of paragraph 7 of this article.

### **Article 53**

#### **Violation of provisions by the Albanian Insurance Bureau**

1 The Authority shall impose a fine ranging from 150,000 up to 200,000 Albanian Leks against the executive director if:

a) the Bureau does not submit to the injured party a substantiated offer for compensation or reasoned reply within the time limit set forth in Article 12, Paragraph 2, of this Law under the conditions when the National Insurance Bureau is obliged to pay compensation pursuant to Article 16, paragraph 1 and 2 of this Law;

b) the Bureau fails to pay to the injured party the amount, which pursuant to Article 12 of this Law, corresponds to the indisputable portion of the claim and, which, pursuant to Article 16, paragraphs 1 and 2 of this Law, the National Insurance Bureau has to pay;.

c) the Bureau acts contrary to Article 16 of this law;

ç) the Bureau fails to manage and to use the assets of the Guarantee Fund in compliance with the manner set forth in law or regulation according to Article 46, Paragraph 2, of this law;

2 The Authority, in case of violation of provisions set forth in Paragraph 1 of this Article, shall also impose a fine ranging from 50,000 up to 100,000 Albanian Leks on other responsible persons of the Bureau.

3 The Authority shall impose on the Executive Director of the Bureau a fine ranging from the amount of 100,000 up to 500,000 Albanian Leks if:

a) the Bureau fails to inform the Authority pursuant to provisions set forth in article 46, paragraphs 3 and 4 of this law;

b) the National Insurance Bureau fails to provide to the injured party and to any other party involved in the accident the available information and does not enable the use of this information in accordance with the provisions set forth in this law;

4 The Authority, in case of violation of provisions set forth in Paragraph 3 of this Article, a fine ranging from the amount of 50,000 up to 100,000 Albanian Leks shall also impose against the responsible person of the Bureau.

#### **Article 54**

##### **Violations of provisions by the transport vehicle owner**

A legal or natural person shall be liable to pay a fine of 20, 000 Albanian Leks, when, in the capacity of the transport vehicle owner, violates provisions contained in Article 4, paragraph 1 of this law.

#### **Article 55**

##### **Violations of provisions by the transport vehicle driver**

1 A fine of 10,000 Albanian Leks shall be imposed on the driver of a means of transport if the driver fails to produce, upon the request of an authorized person, an insurance policy or any other evidence of a concluded insurance contract in accordance with Article 6, Paragraph 1, of this Law;

2 In the case of a foreign vehicle which needs a border insurance contract to travel in the territory of the Republic of Albania and it has not concluded such a contract, then the driver of this motor vehicle shall be subject to a fine of 20,000 Albanian Leks. The provisions set forth in this paragraph shall apply equally even if a vehicle with foreign registration shall drive across the territory without border insurance after the Green Card has expired.

3 If the driver of a foreign vehicle, which needs a border insurance contract to travel in the territory of the Republic of Albania, fails to present, at the moment of leaving Albania,

the border insurance policy, which has been issued to cover the entire period of the stay or the extension of this stay after the expiration of the Green Card validity, the competent bodies of border control shall not allow of the driver to move the vehicle until the obligations set forth in paragraph 2 of this Article are fully met.

#### **Article 56**

##### **Authority to impose sanctions**

1 Fines, which are referred to in Articles 54 and 55, shall be imposed by the relevant authorities responsible for traffic control.

2 The Bureau shall be obliged to immediately inform the Authority whenever it has information on any violation committed by the insurance undertakings as set forth in the provisions contained in Article 52 of this law.

3 Notwithstanding the provisions set forth in paragraph 2 of this Article, the Bureau shall be obliged to submit to the Authority all the available information related to violations committed by insurance undertakings.

### **CHAPTER IX TRANSITIONAL PROVISIONS**

#### **Article 57**

##### **Harmonisation of legal requirements**

1 The insurance undertaking carrying out the activities of compulsory insurance within the transport sector on the day this law enters into force are obliged to harmonise their insurance conditions with the provisions with this law within six months of the entry into force of this law.

2 The Authority shall harmonize the functioning of the Information Center in compliance with the provisions of this law in within one year of the entry into force of this law.

#### **Article 58**

##### **Passing of secondary legislation**

The Albanian Financial Supervisory Authority is assigned with the adoption of the rules set forth in this law in not later than six months of the entry into force of this law.

#### **Article 59**

##### **Cessation of effect of existing legislation**

1 Law No. 7641, date 01 December 1992 “On the adoption including some amendments of Decree No. 295, date 15 September 1992 “On vehicles compulsory liability insurance damages caused to third parties” shall be hereby repealed.

2 Paragraph 1 and 5 of Article 100 of Law No. 9276, date 29 July 2004 “On the insurance, reinsurance and intermediary activity in insurance and reinsurance” amended, shall be hereby repealed”.\*

3 Secondary legislation issued pursuant to Law No 7541, date 01 December 1992 “On vehicles compulsory third party liability insurance”, as amended, shall be hereby repealed within six months after the entry into force of of this law.

#### **Article 60**

Entry into force of This law shall enter into force fifteen days after the publication in the Official Journal.

**Announced upon Decree No. 6077, date 27 Feb 2009 of the President of the Republic of Albania, Mr. Bamir Topi**

**\* Amended by Law no. 10.455, date 21.7.2011 “On some amendments of the law no. 10.076, date 12.2.2009 “On compulsory insurance within the transport sector”, published on the Official Gazette No. 107, date 09/08/2011**