

LAW
NO. 32/2021
ON
COMPULSORY INSURANCE IN THE TRANSPORT SECTOR¹

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

THE PARLIAMENT
OF THE REPUBLIC OF ALBANIA

DECIDED:

CHAPTER I
GENERAL PROVISIONS

Article 1
Object

This law regulates the compulsory insurance in the transport sector.

Article 2
Scope of Application

1. Compulsory insurance in the transport sector includes:
 - a) Liability insurance of the owner/users of the motor vehicle for damages caused to third parties by the use of this vehicle;
 - b) Passenger accident insurance in the public transport;
 - c) Liability insurance of the owner/users of the vessel for damages caused to third parties by the use of this vehicle.
 - ç) Liability insurance of the owner/users of the aircraft for damages caused to third parties by the use of this aircraft;
2. The provisions of this Law shall not apply to specific categories of motor vehicles of the Armed Forces.

¹ *This Law is partially aligned with;*

Directive 2009/103/EC of the European Parliament and of the Council of 16 September 2009 relating to insurance against civil liability in respect of the use of motor vehicles, and the enforcement of the obligation to insure against such liability, OJ L 263 ,07/10/2009 p. 11 - 31

3. The special categories of Armed Forces vehicles, the procedures and the payment of compensation for damages caused by the use of these vehicles are determined by a joint guidance of the Minister responsible for the Defense and the Minister responsible for the Finance.

Article 3

Definitions

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

1. "Accident" means an event where damage occurs from the use of a vehicle;
2. "Authority" means the Financial Supervisory Authority;
3. "Aircraft" means any means of transport under the definitions provided in the Air Code of the Republic of Albania;
4. "Bureau", means the Albanian Insurance Bureau pursuant to Article 35 under this Law, members of which are insurance companies, which are authorised in the Republic of Albania to carry out compulsory insurance activities in the transport sector, in accordance with points (a) and (b) of paragraph 1, Article 2 under this Law;
5. "Property damage" means damages caused as a result of a damage or loss of property;
6. "Personal injury" means the damage caused as a result of a death event, body injuries or health deterioration suffered by the injured party or its relatives. Here is comprised the patrimonial damage and non-patrimonial damage;
7. "Proprietary damage" means the loss incurred as a result or loss of property as well as loss of income;
8. "Non-proprietary damage means any kind of damage incurred by the violation of non-proprietary rights and interests related to physical pain, disability, fear, distress, pain and suffering of the injured person and his relatives in case of a person's death or health deterioration;
9. "Unauthorized driver is the person who, in case of an accident, drives the vehicle without permission of the owner of the vehicle, is not employed by him to drive the vehicle, is not a member of his family and has not taken delivery of the vehicle by the owner;
10. "SDR (*Special Drawing Rights*)" is the base calculation unit, as determined by the International Monetary Fund;
11. "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 check-in luggage, means the period of transportation 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 to the engines for the purpose of taking-off to the time when an aircraft lands onto the ground and its engines come to a halt, as well as the movement of an aircraft by means of a vehicle used for towing, pushing or moving it;
12. "Green Card" means an international insurance certificate, according to the terms of the Crete Agreement;
13. "Minimum liability limit" is the maximum amount of compensation for any damage recognised by this Law, which the insurer undertakes to compensate third parties injured in an insurance event;
14. "Crete Agreement" is the agreement regulating mutual relations between the national offices of the Member States of the Green Card system;

15. "Means of transport" means the motor vehicle, vessel or aircraft;
16. "Motor vehicle" means the motor vehicle which moves on the land, but not on the rails, by means of the engine power, regardless the number of wheels, subject to the obligation for registration. Any trailer and semi-trailer, attached to the towing vehicle is considered a motor vehicle as well;
17. "Uninsured motor vehicle" means the vehicle pointed out in paragraph 16 of this Article, for which the contract for liability insurance arising from the use of the vehicle has not been concluded, or the insurance period has ended and the insurance contract has not been renewed;
18. "Unidentified motor vehicle" means the vehicle pointed out in paragraph 16 of this Article, for which neither the vehicle nor the liable insurer responsible could be identified;
19. "Vessel" means any means of transport intended for navigation, as specified in the Maritime Code;
20. "User of any means of transport" is a natural or legal person using the means of transport by approval of the owner;
21. "Owner of the vehicle" means any user or other person registered as owner of means of transport in compliance with this Law;
22. "Insurance policy" means the insurance contract pursuant to this Law;
23. "Injured party" means each person who has suffered damages due to the accident event, who is entitled, pursuant to this Law, to make a claim for compensation against losses or damages caused by the means of transport;
24. "Aircraft operator" means a person, who determines the use or operation approach of an aircraft or a person, in the name of whom the aircraft in the Albanian Register of civilian aircraft has been registered or in any another equivalent register of aircrafts;
25. "Direct insurer" is the insurance company with which the owner of the transport vehicle causing the damage has entered into a compulsory insurance contract, pursuant to this Law;
26. "Liable insurer" means the insurance company with which the owner of the means of transport causing the damage has entered into a compulsory insurance contract;
27. "The Bonus-Malus system" is the system which applies for determining the rate of compulsory motor insurance premium where the applied premium is related to the history of the number of claims;
28. "Territory where the vehicle is used" means:
 - a) the territory of the State of which the vehicle holds a registration plate, irrespective of whether the plate is permanent or temporary;
 - b) the state which issues the insurance plate or any other distinguishing mark, analogous to the registration plate, designated for motor vehicles, in cases where registration plates are not required, for particular types of motor vehicles;
 - c) the state in which the motor vehicle user has permanent residence, in cases where the specified type of vehicle does not require a registration plate or insurance plate or any other distinguishing sign, analogous to the registration plate;
 - ç) the state where the road accident has occurred, in cases where the motor vehicle involved in the accident, does not have any registration plate or the registration plate does not correspond or does not belong to that vehicle;
29. "Air carrier" means an operator which has an attestation of capacity or another equivalent licence for operation in air transport;
30. "Green Card System Member States" means the territory of the Member States of the green card system, pursuant to the rules or agreements of the Bureau Council;
31. "Electronic signature" means the same as the legislation in force for the electronic signature;

Article 4

Insurance obligation

1. The owner of any means of transport shall be obliged to conclude an insurance contract pursuant to paragraph 1 of Article 2 of this Law and to ensure its renewal as long as the means of transport shall remain in circulation.
2. When the means of transport is subject to the obligation to be registered or licensed, and pursuant to the Law it must have a registration certificate/technical control, the responsible authorities may issue a technical inspection 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 in accordance with this Law. The same requirement applies to entities authorized by Law “On Road Transport”. The responsible authorities are obliged to fulfill the requirements specified in this paragraph.
3. When the authorized person in charge for the traffic control notices violations of paragraph 1 of this Article, imposes measure of administrative penalty with the fine in accordance with the provisions of the Road Code.
4. Liability insurance of the owner of the means of transport for damages caused to third parties also covers damages caused by the use of the vehicle by other persons, when they use the vehicle subject to the approval of the owner.

Article 5

Obligations of the owner and users of the means of transport

1. The owner/user of the motor vehicle is obliged to carry with him insurance policy or any other evidence of the arrangement of the insurance contract, as well as the European Accident Report.
2. The owner/user of the vessel is obliged to keep with him the insurance policy or any other evidence of the arrangement of the compulsory insurance contract.
3. In the event of an accident, the driver is obliged to provide personal data and data related to compulsory insurance under this Law, to all persons involved in the accident who may be entitled to claim compensation.

Article 6

Data reporting obligation

Bodies authorized to carry out traffic supervision, judicial and other bodies, conducting procedures in case of an accident event or which have at their disposal details associated with an accident, shall thereby make them available to the insurance companies and the Albanian Insurance Bureau for the handling of the compensation claim.

Article 7

Compulsory Insurance Premium Fees

1. The insurance company shall determine the premium fees of compulsory insurance for motor vehicles taking in consideration the risk factors.
2. The insurance company notifies the Authority at least 30 (thirty) calendar days prior to the application of the new premium fees and submits to the Authority the technical bases, risk factors and actuarial valuations used to calculate these premiums, accompanied by the opinion of the authorized actuary of the company.
3. The Authority, in terms of supervising the activity of the insurance company, orders the review of new premium fees if it ascertains that the database for the designation of the premium tables are incorrect or the insurance company has not acted in compliance with the actuarial principles, determined by regulations of the Authority.
4. Compulsory insurance premium fees cannot be changed more than twice within a calendar year.
5. Insurance companies should establish technical provisions, not less than the rate of technical provisions set by regulations of the Authority.
6. Brokerage commissions cannot be higher than the rate set by regulations of the Authority.
7. The insurance company may not apply gross written premium fees other than those provided in paragraphs 2 and 3 of this Article.
8. The insurance company shall include the bonus-malus system in determining insurance premium rates of the insured party for damages caused to third parties by the use of this motor vehicle, with the exception of the border policy and the Green card.

Article 8

Bonus-Malus system

1. The Bonus-Malus system is the system that adjusts the compulsory motor insurance premium rate, according to the claim history of the insured.
2. The Bonus-Malus system is one of the risk factors which the insurance companies enjoy the right to apply for the rating of the liability insurance fees of the motor vehicle for the damages caused to third parties by the use of this vehicle.
3. The insurance company is obliged to make available to the insured persons the Claims history certificate according to the format, methods, terms and content determined by rules approved by the Authority.

Article 9

The right of the injured party to lodge a Compensation Claim

1. The injured party enjoys the right to submit the compensation claim to the owner's liable insurer of the vehicle which has caused the accident. The compensation claim may be lodged in writing or electronically.
2. Compensation claims may include compensation of damages in cases of property damages and/or personal injuries according to the insurance contract.

3. Insurers may conclude contracts between them, according to the compensation claim associated to the damage caused by the use of a motor vehicle towards another motor vehicle, which may be settled by the direct insurer of the owner of the damaged motor vehicle.
4. The direct insurer shall be entitled to compensation by the liable insurer associated to the compensation carried out pursuant to paragraph 3 of this Article, pursuant to the conditions, limits and terms laid down in the contract entered between the parties.
5. In case of an accident between the two identified and insured by the third-party liability compulsory insurance contract, the injured party may address the compensation claim to the direct insurer, in case the agreement has been entered pursuant to paragraph 3 of this Article.

Article 10

Compensation Procedures and Terms

1. The liable insurer is obliged to settle any kind of compensation claim within the terms as follows:
 - a) in the event of personal injuries, within 90 (ninety) calendar days from the day of filing a compensation claim;
 - b) in the event of property damages, within 30 (thirty) calendar days from the day of filing a compensation claim.
2. For the purpose of paragraph 1 of this Article, the date of receipt of the compensation claim is the date of filing the application together with the comprehensive accompanying documentation.
3. At the end of the termination of the claim settlement, in the event of the claim acceptance, the insurance company should notify the injured party about the compensation measure assessed by the latter.
4. The insurance company shall execute the compensation payment within 14 (fourteen) calendar days after the expired terms of the claim settlement and signing of the receipt of the claim compensation declaration. In the event of non-compliance with the terms determined in this Article, the injured party shall be entitled to the benefit of the interest payable for each day of delay for the settlement of the compensation claim by the insurance company.
5. In cases when the lodged claim is incomplete, the insurance company shall address the claimant in writing within 8 (eight) calendar days from the receipt of the request and requests the documentation to be completed.
6. Upon termination of the compensation claim, in the event of the claim refusal, the insurance company must notify in writing the injured party regarding the refusal and legal reasons leading to this refusal.
7. The injured party, upon receipt of the notification according to paragraphs 3 and 6 of this Article, enjoys the right of complaint at the insurance company. The insurance company is obliged to respond in writing to the complaint of the injured party within 15 (fifteen) calendar days from the filing date of the complaint.
8. The insurance company must carry out the compensation claim payment in the personal bank account of the injured party or the beneficiary. The injured party or the beneficiary if he receives services from the legal counsel, he may pay him up to 5% of the value of the received compensation but not less than the established fees in the respective acts.
9. Execution of the compensation value arising from the compulsory insurance contract and the formal declaration of value received by the injured party or beneficiary shall ultimately terminate the liability of the insurance company. The beneficiary party is not entitled to

claim any other compensation value, other than what he has voluntarily admitted by signing the agreement and/or the declaration of the receipt of the value.

10. In the event the insurance company does not respond to injured party within the time limit set out in paragraph 1 of this Article, and/or the injured party does not agree with the amount of compensation provided by the insurance company and/or the injured party does not agree with the reasons for the refusal of compensation by the insurance company, only in these cases the injured party has the right to bring a civil case against the insurance company.

11. The terms referred to in paragraph 1 of this Article and the right of the injured party to benefit from paid interest for failure to comply with those terms shall not apply to accidents involving vehicles registered abroad and equipped with green card, and regarding claims involving uninsured and unidentified motor vehicles according to Article 41 under this Law.

12. At the end of the handling of the compensation claim in the event of request acceptance, the insurance company must inform the injured party on the amount of compensation assessed thereof. The liable insurer shall also have the right to publish on the website or by means of analogue programmes the list of beneficiaries for compensation and invite them to show up to the competent offices for the estimated value, to withdraw it if it accepts and complete the relevant compensation file in accordance with the applicable personal data protection law.

Article 11

Compensation Claim Handling Rules

1. Rules, methodology for calculating the compensation covered by the compulsory insurance contract in implementation of this law, pursuant to paragraph 1 of Article 2 under this law, are approved by the Authority and published in the Official Journal.

2. The Authority supervises the functioning of the compensation system and the rules followed by the insurance companies, in order to guarantee the protection of the policyholders and the correct execution of the compensation procedures.

3. The calculation of the compensation amount is carried out by an expert authorized by the Financial supervisory Authority.

4. The claim adjuster shall carry out the estimation according to the principles and methodology approved by the Authority by applying the estimation principle to an insurance event.

Article 12

Compensation of Claims with Small Amount

Besides as provided in point (b) of paragraph 1 of Article 10, compensation claims for property damages of an amount of up to ALL 100.000 (one hundred thousand) shall be paid by insurance companies within 14 (fourteen) calendar days from the date of lodging the compensation claim.

Article 13
Compensation of the insurance company

1. The insurance company which has compensated the injured party according to this law but has not been liable for the damage, has the right to claim a compensation from the person who caused the damage, up to the amount paid, interest paid and costs of the proceedings.
2. The Motor Third Party Liability Insurance (MTPL) will also include pursuant to this Law damages caused by the driving of a vehicle by an unauthorised person.
3. The provisions of paragraph 1 of this Article shall apply similarly in case the Bureau is liable for the claims handling pursuant to the provisions of this Law.

Article 14
The European Accident Report

1. The insurance company together with the insurance policy shall submit to the insured the European Accident Report according to a form approved by the Authority.
2. Drivers involved in a road accident, if agreed, must fill in, sign and exchange the European Accident Report in case of material damages up to the value of ALL 30.000 (thirty thousand) if they do not agree, they must receive the record verifying the violation by the Road Police.
3. The report which is signed by both drivers assumes that the event (accident) has occurred according to the circumstances, modalities and consequences laid down in the form, unless otherwise proven by the insurance company.
4. The completed and signed report shall be annexed to the compensation claim, which is handled by the insurance company according to the terms provided in Article 12 of this law. The liability of the insurance company is extinguished with the payment of the amount of compensation provided in paragraph 2 of this Article for which the European Accident Report has been signed.
5. Drivers involved in a road accident if they do not agree they must obtain the report of violation findings by the Road Police in case of material damages up to the value of ALL 30.000 (thirty thousand).

CHAPTER II
COMPULSORY INSURANCE CONTRACT

Article 15
Compulsory insurance contract

1. The insurer shall enter into a compulsory insurance contract in compliance with the provisions of this Law, the insurance terms and the rate of insurance premiums applicable at the time such insurance contract is entered.
2. The insurer cannot refuse the application to enter into the insurance contract when the applicant accepts the terms under which the insurer offers such insurance.

3. In case of accident insurance of passengers in the public transport, the insurer should guarantee prior to the issuing of the insurance contract of the owner's liability, that the owner holds even the policy of passenger accident insurance in the public transport, pursuant to the specifications of Article 17 of this Law.
4. The insurance contract, shall comprise:
- a) names and addresses of the parties;
 - b) object of the contract;
 - c) covered risk and other exemptions or other coverage restrictions;
 - ç) method and cases of renewal, contract change;
 - d) methods of complete or partial settlement of the contract;
 - dh) duties of the parties and legal consequences of their non-fulfilment;
 - e) method and terms for the payment of compensation, as well as the consequences of default payment or non-payment by the insurance company;
 - ë) insurance premium;
 - f) terms of payment of the premium and the consequences of non-payment;
 - g) in the case of signing the contract by the broker, the name, address and broker's license data, as well as the identification code;
 - gj) date and place of signing the contract;
 - h) obligations of the insured in case of the occurrence of the insured event and burden of proof;
 - i) handling of insurer services;
 - j) handling of compensation claim in cases which are handled by the Bureau and insurance companies as a compensating entity.
5. The insurance contract terms determine the rights and duties between the contracting parties, except those provided in this Law.
6. The compulsory insurance contract is done in writing in the form of an insurance policy and is valid even in cases when it is drafted in the form of an electronic document in compliance with the provisions of the Law for the electronic signature and electronic document.

Article 16

Entry into Force and Territorial Validity

1. The insurance policy shall enter into force starting exactly at 24:00 of the date specified in the insurance policy which is specified as the starting date of the coverage, with the full payment of the premium and the signing of the contract between the insurer and the insured, unless otherwise provided in the insurance contract.
2. The insurance policy terminates at 24:00 of the expiry date specified in the insurance policy.
3. The compulsory insurance contract as referred to in items (b) and (c) of paragraph 1 under Article 2 of this Law, covers damages or losses occurring in the Republic of Albania.
4. The compulsory insurance contract, referred to item (a) of paragraph 1 under Article 2 of this Law covers damages occurring in the territory of the Republic of Albania, including damages occurring in the territories of the Green Card System Member States, unless otherwise stated.

CHAPTER III
PASSENGERS ACCIDENT INSURANCE IN THE PUBLIC TRANSPORT

Article 17
Obligation to enter into an insurance contract

1. The owners of public passenger transport vehicles are obliged to enter into a passenger accident insurance contract in the public transport.
2. The contract provided in paragraph 1 of this Article shall be concluded by the owners:
 - a) urban buses, interurban buses and international public transport, including rental cases;
 - b) transport buses of employees and tourist companies buses;
 - c) taxis and rented cars, if delivered with the driver;
 - ç) all types of vessels circulating on the sea, river and lake, including ferries for passengers in regular lines and transport of tourists, as well as vessels without engine;
 - d) of all types of vehicles provided in item (ç) of this paragraph, rented together with at least one crew member;
 - dh) cable cars and transport railway vehicles, including trains, trams, subways, and other vehicles that move on rails;
 - e) all other means of transport, regardless of power used for public transport for passengers on payment;
 - ë) of aircrafts used for public air transport for the carriage of passengers;
 - f) of motor vehicles used for the transport of children and students to kindergartens and schools;
3. Responsible authorities are obliged to provide the fulfilment of obligations provided in this Article.

Article 18
Passengers on a public transport

1. Passengers refer to those persons traveling on any means of transport designated for public transport, regardless of whether they have purchased a ticket, including persons who have the right to travel free of charge, as well as persons who are in the territory of the train station, quay, pier, airport or in vicinity of any means of transport prior to boarding or landing, who have the intention to travel or have travelled on one of the means of transport, with exception of persons employed in any means of transport.
2. Persons on an aircraft, on the stairs or in the cabin without the consent of the owner of the aircraft or its crew shall not be designated as passengers pursuant to paragraph 1 of this Article.

Article 19
Liability of the insurance company and the insured amount

1. The obligation of an insurance company arising from the insurance contract, represented by the minimum coverage limit valid the day of the accident, unless a higher value is provided in the insurance contract.
2. The minimum amount insured for each passenger covered by the insurance contract under Article 17 of this Law shall be determined as follows:

- a) ALL 2.000.000 (two million) in case of a death event;
 - b) ALL 4.000.000 (four million) in the event of Permanent Disability (PD) for work;
 - c) ALL 1.000.000 (one million) in case of Temporary Disability (TD) for work and medical treatments.
3. This insurance covers body injuries caused to the passenger by or as a result of:
- a) technical defaults leading to loss of control of the vehicle, defaults occurring not because of the owner's fault or of the drivers of the urban means of transport;
 - b) falling of external objects over a motor vehicle during its use, its permanence at the station or during the circulation;
 - c) accidental damages caused by mass gatherings, violent acts that may have political or social reasons, such as attacks, sabotage, terrorist acts, injuries, intentional fire casualties, events or explosions in various facilities outside the means of transport provided that he is not an active participant in those events;
 - ç) unexpected stoppage, tire explosion, movement deviations as a result of an explosion or immediate forced deviation leading to the overthrow of the public means of transport;
 - d) an explosion that takes place outside the public means of transport;
 - dh) any other event occurring not because of the fault of the driver/owner of the public transport vehicle and shall not be covered by the compulsory liability insurance of the owner of the vehicle.
4. The insurance company is obliged to apply the provisions of Article 10 for the handling of claims for compensation.

Article 20

Entitlement to Compensation

1. A passenger or a beneficiary, shall be entitled according to the insurance contract conditions, to pay the compensation to the insurance company with which the insurance contract has been arranged.
2. The owner of the means of public transport shall place in a clearly visible place of the means of transport the name of the insurance company indicated in the insurance contract, as well as the the passenger's rights to benefit from this contract.

CHAPTER IV

COMPULSORY LIABILITY INSURANCE OF THE OWNER OF THE MOTOR VEHICLE RELATED TO DAMAGES CAUSED TO THIRD PARTIES ARISING FROM THE USE OF THIS VEHICLE

Article 21

Insurance coverage

1. The owner of the motor vehicle enters into a liability insurance contract for damages caused to third parties by the use of this vehicle, the consequences of which may be in the form of property damage, death, body injuries and health deterioration.
2. The insurance liability against damages caused to third parties by the owner of the means of transport shall cover the damages caused to third parties pursuant to the terms and methods provided in this Law, regardless the fact who was driving the vehicle.
3. The insurance company includes in the insurance contract all cases of coverage provided

in this Law.

4. The insurance contract covers personal injuries and property damages caused to pedestrians, cyclists and users of non-motorized vehicles circulating on the road.
5. Owner's liability insurance of the motor vehicle applies to damages caused by both the tow truck and by the towed vehicle (trailer).
6. Owners of both vehicles shall be jointly liable for damages caused to third parties in the event of damages caused by the use of the tow truck or by the towed vehicle when these vehicles are attached to each other in one integral unit or when the accident occurs as a consequence of the detachment of the tow truck from the towed vehicle. In these cases, the injured party may lodge a compensation claim to the insurer of the towed vehicle or the insurer of the trailer. The insurance company paying damages to third-party has the right to compensation of the claims by the insurer of the tow truck or the trailer, in case the insured party is liable for damages, but within the limit of the responsibilities of the insured party.
7. Liability insurance of the driver of motor-vehicle does not cover the damages of the load located inside the vehicle at the moment of the accident, which responsibility has been taken by the driver of the motor vehicle, who has caused the accident.
8. Upon request of the insured party the insurance company is obliged to issue confirmation of all compensation claims that the insurance company has received from third parties related to the liability insurance of the insured party.
9. Pursuant to paragraph 8 of this Article the confirmation shall cover a period of at least of 5 years and shall be issued by the insurance company within 15 (fifteen) calendar days from the date of receipt of the request by the insured party. When the insured party has a relationship of less than 5 years with the insurance company, the confirmation shall be issued for the entire insured period.

Article 22

Exclusion from insurance coverage

1. Based on the insurance liability of the owner of the motor vehicle, the following parties are not entitled to compensation:
 - a) for the damages occurring to the driver of the vehicle, who caused the accident, including his legal heirs and his relatives;
 - b) each co-traveller who is found by his/her own will in the motor vehicle that has caused the accident, driven by an unauthorized driver, when proved that the person in the vehicle was aware of these circumstances;
 - c) each co-traveller who is found by his/her own will in an uninsured vehicle which has caused the accident when it is proved that the person was aware of this circumstance;
 - ç) the person who has unlawfully taken possession of the motor vehicle and was injured during the use of this vehicle;
 - d) the injured person in the following cases:
 - i. due to the use of a vehicle on the road or road sections during sports activities where is not allowed to drive vehicles with high speed or for competitive races training;
 - ii. due to the consequences of nuclear energy during the transportation of radioactive materials;
 - iii. due to acts of war, riots or terrorist acts provided that the insurance company proves that the damage was caused by similar events.

Article 23
Loss of the right to insurance coverage

1. The insured loses the rights to insurance coverage in cases when:
 - a) the driver does not use the vehicle in compliance with the purpose for which it is intended to be used;
 - b) the driver does not have a valid driving license of the motor vehicle, according to the category or type of vehicle, except in cases when the motor vehicle is driven by the driving license candidate, according to all the rules provided for the learning process;
 - c) the driving license of the driver of the motor vehicle has been suspended, and it has been forbidden to drive the type and category of the vehicle or the use of the driving license issued by another country for the territory of the Republic of Albania;
 - ç) the driver uses the motor vehicle under the effect of alcohol above the allowed limit, and under the effect of narcotic or psychoactive substances;
 - d) the driver causes the damage intentionally;
 - dh) the accident occurs due to technical defaults of the vehicle of which the driver was aware of the circumstances.
2. Loss of the rights, deriving from the insurance, as provided in items (a) up to (dh) of paragraph 1 of this Article there is no consequence on third parties to file a compensation claim to the liable insurer.
3. The insurance company pursuant to paragraph 1 and 2 of this Article has paid the damages to the injured party, has the right to compensate the entire amount paid for the damages, interests and expenses incurred by the responsible person for the damages.

Article 24
Compensation for the claim caused by the unauthorized person

1. When the damage is caused by unauthorized driving of the motor vehicle, the injured party may be entitled to compensation to the insured person, except in cases provided in Article 22, item (b) paragraph 1 under this Law.
2. The insurance company carrying out the compensation, has the right of compensation from the person liable for the damage caused, the entire value for the damage paid, up to the amount, the paid interest and costs of the procedures.

Article 25
Liability of the insurance company and the insured amount

1. Obligation of the insurance company, arising out of the insurance contract, as provided in Article 21 of this Law, is represented by the minimum coverage limits valid the day of the accident, unless a higher value is provided in the insurance contract.
2. Minimum liability limit, covered by the insurance contract, pursuant to paragraph 1 of this Article, for damages caused within the territory of the Republic of Albania is as follows:
 - a) for property and non-property damage resulting in death, health damage and deterioration of health caused by an accident or series of accidents resulting from an insurance event:

- i) for buses and freight vehicles, including trailers of ALL 150.000.000;
 - ii) for vehicles transporting hazardous substances of ALL 200.000.000;
 - iii) for other vehicles, including unidentified vehicles of ALL 55.000.000.
- b) in the event of property damages or destruction caused by a single event;
- i) for buses and freight vehicles, including trailers of ALL 20.000.000;
 - ii) for vehicles transporting hazardous substances of ALL 20.000.000;
 - iii) for other vehicles, including unidentified vehicles of ALL 15.000.000.
3. Within the minimum limit of liability provided in paragraph 2 of this Article, the value of the damage shall be calculated:
- a) in the event of damage resulting in permanent disability to work, when the loss of income, the benefit is calculated as the product of the annual net income by the coefficient of the amount of capitalized, retirement age and loss of work ability. When the injured party have been employed/self-employed will refer to the average net income in the last 3 years, while when he was not employed at the time of the event he refers to the official gross minimum wage of the place of residence at the time of the event.
 - b) in the event of damage resulting in death, the property damage will be calculated as in the case of total permanent disability with the change of income referred to in item (a) of this article of the income is deducted for the needs of the person himself, which depends on the number of people in the household.
 - c) in the event of damages resulting in temporary disability, the property damage forms part of unpaid salary for the period of disability, while when the injured party is not in a relationship employment will refer to the official gross minimum wage.
4. Within the minimum limit of liability, provided in paragraph 2 of this Article, non-property damages suffered by the person caused by a single event are composed by the following forms and cannot pass the limits:
- a) the value of the biological damage for each injured person will not exceed ALL 110.000 (one hundred and ten thousand) for every 10% of the permanent degree of disability, partial or total. The amount of benefit provided at this point should be based on the age and degree of disability of the injured person;
 - b) the value of the moral damage for each injured person in permanent disability to work is $\frac{3}{4}$ to $\frac{3}{2}$ of the biological damage referred to in item "a" under paragraph 4 of this Article;
 - c) the value of the existential damage for each injured person in temporary disability to work is $\frac{3}{4}$ to $\frac{3}{2}$ of the biological damage referred to in item (a) under paragraph 4 of this Article;
 - ç) the value of the moral damage for each of the family members of the injured person, parent, child/spouse is more than $\frac{1}{5}$ of the benefit of the injured person according to item "b" under this paragraph and for each of the family members, brother/sister, the profit value will be more than $\frac{1}{2}$ of the amount each family member (parent/spouse/child) may benefit such as;
 - d) the value of the existential damage for each family members of the injured person, parent/child/spouse is no more than $\frac{1}{5}$ of the benefit of the injured person, as a consequence permanent disability to work pursuant to item (c) of this paragraph and for each family member, brother/sister, the profit value is no more than $\frac{1}{2}$ of the amount each family member (parent/spouse/child) benefits;
 - dh) the value of the moral damage for each of the family of the deceased/parent/child/spouse is no more than ALL 220.000 (two hundred and twenty thousand) and for each of the family members brother/sister, the profit value of the $\frac{1}{2}$ of

- the amount each family member (parent/spouse/child) benefits;
- e) the value of the existential damage for each of the family deceased/parent/child/spouse is no more than ALL 220.000 (two hundred and twenty thousand) and for each of the family members brother/sister, the profit value of the ½ of the amount each family member (parent/spouse/child) benefits;
- ë) the value of the moral damage for each injured person is no more than ALL 15.000 (fifteen thousand) for each month of temporary disability.
- f) the value of the moral damage for each injured person is no more than ALL 15.000 (fifteen thousand) for each month of temporary disability.
5. The minimum limit of liability for each injured person in, provided in point (a), paragraph 2 and paragraph 4 of this Article is ALL 22.000.000 (twenty-two million).
6. In the event of more persons damaged by an insurance event and the total amount of compensation for the damage to the person, as well as the total value of compensation for damage to property exceeds the amounts provided in paragraph 2 of this Article, the amount of the compensation and the rights of the injured persons vis-à-vis the insurance undertaking shall be reduced proportionately for each amount of damage among all the injured persons until the expiry of the full sum insured under the insurance contract.
7. The insurance undertaking, which has paid more to the injured party than was due as a result of the proportional reduction in compensation, since, despite the measures taken, it could not be expected that there would be other injured parties, and is responsible towards the other parties until the full completion of all the sum provided in paragraph 2 of this Article.
8. The minimum limits of insurance coverage by the Green Card shall be determined based on the relevant legislation of the Green Card System Member Members where the accident occurs.
9. For contracts concluded from January 1st 2022 to December 31st 2026, the minimum limit of liability set out in this article shall be increased:
- a) ALL 4.000.000 (four million) each year, for the funds defined sub point iii), Paragraph 2, Point (a), of this Article.
- b) ALL 2.000.000 (two million) each year, for each person according to Paragraph 5 of this Article.
10. In case of contracts concluded from January 1st 2027 onwards, the minimum liability limit is the same as the minimum liability limit of contracts concluded in 2026.

Article 26

Change of vehicle ownership

1. If the ownership of the motor vehicle changes during the insurance period, the rights and responsibilities deriving from the insurance contract, do not pass to the new owner and are valid until the conclusion of the insurance contract, including the rights and duties provided in Article 15 of this Law.
2. The new owner of the vehicle, within 15 (fifteen) calendar days, is obliged to inform the insurance company of the change of ownership of the vehicle and the reflecting of this change in the insurance contract.

Article 27
Insurance of the motor vehicle registered abroad

1. The driver of the motor vehicle who enters the territory of the Republic of Albania with a vehicle registered abroad shall be equipped with one of the following documents:
 - a) green card, valid in the territory of the Republic of Albania;
 - b) border insurance valid in the territory of the Republic of Albania covering the period of his stay, but not less than 15 days;
 - c) another valid document certifying the existence of insurance liability to third parties, in those cases where there is a separate bilateral agreement for vehicles with registration plates of another state, signatories of this agreement.
2. For the recognition of the validity of international security documents the Bureau shall inform in advance the responsible authorities for border control.
3. In cases when the driver is not in possession of the documents, pursuant to paragraph 1 of this Article, he is not allowed to enter the territory of the Republic of Albania.
4. The authorities responsible for border control are obliged to check the fulfilment of the requirements provided in this Article.
5. When the authorized persons in charge for the traffic control, notice during routine traffic control that the driver of vehicle is not in possession of valid international document, they suspend further circulation of the motor vehicle and order the contractual agreement of the border contract for liability insurance arising from the use of a motor vehicle.
6. In relation to the compensation of damages caused by the use of a motor vehicle with a foreign registration, which does not have a valid international insurance document provided in the provisions of Article 44 of this Law shall apply.

Article 28
**Entitlement to Compensation for the Use of a Motor Vehicle
with a Green Card**

1. The injured party which damage has occurred within the territory of the Republic of Albania caused by a motor vehicle, holding a foreign registration and an international insurance certificate, pursuant to paragraph 1 of Article 27 of this Law, has the right to request compensation from the Bureau.
2. The Bureau guarantees compensation pursuant to the amounts provided in Article 25 of this Law.
3. The Bureau may delegate the review and payment of such claim to its members or specialized structures for the settlement of the aforementioned claims, who are obliged to handle the claim in compliance with international agreements on compulsory liability insurance from the use of motor vehicles.
4. The criteria to be met by a specialised structure as a correspondent for the settlement of the claims caused by the Green Card.
 - a) have financial capital in the value of not less than Euro 3.000.000 (three million) which must be blocked in the form of a guarantee in one of the second-tier banks;
 - b) be authorised by the Financial Supervisory Authority as a medical and material damage claim adjuster;

c) has not less than 10 years of experience as a claim adjustor, authorised by the Financial Supervisory Authority.

Article 29

The Right to Compensation of the Border Insurance

1. The injured party the damage of which has occurred by the use of a motor vehicle with a foreign registration, insured by domestic insurance company, has the right to claim a compensation from the liable insurance company, which has issued the insurance contract.
2. The injured party has the right to claim compensation within the borders provided in Article 25 of this Law.
3. When the injured party claims compensation from the insurance company which has issued the policy, provisions of Articles 9, 10 and 13 of this Law shall apply.

Article 30

The Compensation Claim of the Social Insurance and Healthcare Policy Holder

1. The insurance company is obliged to compensate the claims of institutions covering health, pensions and disability insurance within the limits of the responsibilities of the insured and within the limits set forth in the insurance contract.
2. The claims pursuant to paragraph 1 of this Article shall be estimated as medical expenses and other necessary expenses, carried out in compliance with the laws on health insurance, including a proportion of the pension of the injured party or members of his/her family.
3. The proportion of the retirement pension shall be determined in compliance with the Law “On Social Insurance”, as the difference between the disability pension determined by the decision of the Social Insurance Institute (SII) and the disability pension determined in an event of an accident at work.
4. The provisions of paragraphs 1, 2 and 3 of this Article apply respectively to the compensation of paid claims by voluntary health insurance, pension, life insurance or other similar insurance thereof.

CHAPTER V

COMPULSORY INSURANCE INFORMATION CENTRE

Article 31

The Insurance Information Centre and the type of data to be managed

1. A Compulsory Insurance Information Centre shall be established to provide reliable statistics, standardise practices, avoid fraud and compensate the injured party in a timely and appropriate manner, which:
 - a) creates an electronic data base for the storage of the obtained data by the insurance companies, associated to all types of compulsory insurance in the transport sector which;
 - b) collects and stores data on motor vehicles registered in the Republic of Albania, made

available by the relevant authorities, by linking these data with the data obtained, pursuant to paragraph 1, point (a) of this Article;

c) collects and stores data from contracts for all types of compulsory insurance including Green Card Certificates and Border Insurance Contracts. Pursuant to this paragraph the data comprise the contract number, the name of the insurer, the name of the insured, the date of commencement and termination of the contract, the registration number of the vehicle, and other data, according to the rules approved by the Authority;

ç) collects and stores data from insurance companies that provide compulsory insurance, as well as data related to the names and addresses of the representatives of the settlement of claims of these companies in each country;

d) collects and stores from the insurance companies data related to claims according to Articles 41 and 43 of this Law, updated, no later than one calendar day from the obtaining of the data;

dh) collects and stores data from the Albanian Insurance Bureau related to claims for all types of compulsory insurance, updated no later than one calendar day from the obtaining of the data;

e) collects and stores data of entities operating in public passenger transport, which have obtained a license for such transportation, made available by the relevant authorities;

ë) collects and stores data of motor vehicles, exempted from compulsory motor insurance, liability to third parties, as well as data for the responsible authorities for the claims payment caused by these motor vehicles. Data, pursuant to this paragraph shall be reconsidered pursuant to the procedure provided in paragraph 5 of Article 32 of this Law.

2. The Information Centre shall, on the basis of the administrative data, send a communication to all vehicle owners informing them of the cessation of compulsory insurance in accordance with the provisions of this Law, giving them a deadline of 15 (fifteen) calendar days to complete the conclusion of the insurance contract.

3. The Information Centre on expiry of the 15-day period provided in paragraph 2 of this Article, shall notify immediately the bodies in charge under this law, for the vehicle registration and road traffic control for uninsured vehicles, for the execution of the administrative measures provided in Article 4, Paragraph 3 under this Law, if the vehicle does not have a valid MTPL insurance.

4. Insurance companies shall be obliged to provide the Information Centre with the data provided in this Article in real time for each sale of compulsory insurance contracts, unless the Authority decides otherwise. The Authority shall adopt regulations for the operation of the Information Centre for reporting and notification procedures of data in accordance with paragraphs 1, 2 and 3 of this Article.

5. The Information Centre collects, processes and stores this data and makes it available to authorized persons, under the terms and procedures provided in this Law. The time period required for the data to be stored as provided in this Article, is at least 7 (seven) years from the date of termination of the cancellation of the registration of the motor vehicle or after the end of the validity of the insurance policy.

6. In the case of processing and collection of personal data, for the protection of personal data the legislation in force, as amended shall apply.

7. The insurance companies shall contribute financially to the establishment and operation of the Information Centre and these contributions are used for the operation, maintenance and development of this Centre. The structure, activity of the Information Centre and the measures of the financial contribution are approved by regulations of the Authority.

8. By decision the Authority may authorize specialized entities for the operation and maintenance of the Information Center. The Authority shall approve rules and procedures

for the criteria to be met by these entities to be authorized by the Authority.

Article 32

Providing information to the injured party

1. The Information Centre should enable the disclosure and use of data collected under this Law to all injured parties and participants in a road accident. It is obliged to give to the injured party, pursuant to the entitlement to compensation for a seven-year period after the accident. The centre should provide the injured party, pursuant to the right of compensation with the following data:

- a) the name of the company, headquarters and registered office of the responsible insurer;
- b) the insurance contract number;
- c) name and address of the company, headquarters and registered office of the claims representative in the place where the injured party lives.

2. The Information Centre must provide data regarding the identity and address of the owner or the driver of the motor vehicle, in cases when the injured party has a legitimate interest thereof.

3. The Information Centre shall also provide the injured party with information related to the right of compensation arising from compulsory passenger accident insurance regarding the name and registered office of the insurance company, the insurance contract number, as well as for the insurance company. The centre should provide data on the public transport company, if the injured party has a legal interest in obtaining this data.

4. In regards to the data provided in paragraph 1 of this Article, in relation to insurance contracts arranged outside the Albanian Republic territory or motor vehicles registered abroad, the information centre shall request necessary data from the Information Centres in relevant countries. At the request of foreign country information centres, the Information Centre is obliged to provide the information it possesses.

5. When the information centre is not in possession of data regarding the identity or address of the persons pursuant to paragraph 2 of this Article, or regarding the name and the headquarters of the society, pursuant to paragraph 3 of this Article, receives the data in form of a written request addressed to the insurance company that has entered into the insurance contract or to the authorities responsible for the storing of these data.

6. For receipt of information pursuant to paragraphs 1, 2 and 3 of this Article, the injured party must specify in the request type the exact date, place of occurrence of the insurance event, registration number of the motor vehicle and additional information, if available.

7. The Information Centre shall be obliged to provide the information available under this article not later than 5 (five) working days from the filing date of the written request by the insured person.

Article 33

Information provision by the insurance company

1. Any insurance company which provides compulsory liability insurance for damages caused to third parties or accidents insurance of passengers in public transport shall report in relation to the contracts concluded and for those which limit has expired, pursuant to the rules and procedures determined by the Authority.

2. Pursuant to paragraph 1, Article 31 of this Law, the insurance companies shall submit annually to the Information Centre, a list of Representative Offices in the Member States

and information related to claims representatives and update this information within 15 (fifteen) days from the date of the change of information.

Article 34

Exchange of information and cooperation with competent public authorities

1. The authorities responsible for monitoring road, air and sea traffic of the crossing border, for the monitoring of the customs service and administration of the road transport services shall supply the information centre with the data pursuant to this Law.
2. The Information Center interacts through the government interaction platform, from which secondary data will be obtained with the following institutions:
 - a) National Civil Register managed by the General Directorate of the Civil Status;
 - b) National Vehicle Register managed by the General Directorate of Road Transport Services;
 - c) Companies Register managed by the National Business Center;
 - ç) National Register of Licences, Authorisations and Permits managed by the National Business Center;
 - d) any other database which may interact as defined by any other database, which may interact as defined in the by-laws, complementary to this law.
3. The information centre shall provide the responsible authorities with updated information related to the:
 - a) means of transport, which do not have a valid compulsory third party liability insurance or for which the term of the insurance contract has been completed and has not been renewed within 14 (fourteen) days;
 - b) entities operating in public passenger transport, who do not have compulsory accidents insurance of passengers or for which the insurance contract term has terminated and has not been renewed within 14 (fourteen) days.
4. The responsible authorities shall take measures for the immediate cessation of the circulation of means of transport under the conditions provided in paragraph 3 of this Article.
5. Forms, methods and terms of information exchange and cooperation according to this Article determined by agreement approved by the Minister responsible for Interior Affairs, the Minister responsible for Infrastructure and the Financial Supervisory Authority.

CHAPTER VI

ALBANIAN INSURANCE BUREAU, GUARANTEE AND COMPENSATION FUND

Article 35

The Albanian Insurance Bureau

1. The Albanian Insurance Bureau is a legal entity with headquarters in Tirana, established for non-profit purposes.
2. Member of the Bureau is any insurer who is licensed to carry out activities in accordance with points (a) and (b) paragraph 1, Article 2 of this Law. The insurer may not carry out compulsory insurance activities under points (a) and (b) paragraph 1 of Article 2, under this Law, without being a Member of the Bureau.
3. The Albanian Insurance Bureau is organized in two independent departments: The Green Card Department and the Compensation Fund Department.
4. The insurer's initial contribution towards membership of the Bureau shall be determined in the Statute of the Bureau and must be paid on his behalf.
5. The Bureau authorizes its member to issue a green card after the fulfilment of the laws and by-laws provisions and all the criteria adopted by the General Assembly of Members in compliance with the rules of the green card system.
6. The Bureau is a national representative of the Bureau Council and is responsible for all obligations arising from membership in the green card system.
7. The Bureau shall perform the functions of the compensating entity to make the payments provided in Article 41 of this Law. The necessary funds for the payments of the compensation claims are covered by the compensation fund.
8. The organization and functioning of the Bureau shall be defined in its Statute. The budget shall be financed by all members of the Bureau, in equivalent measure, within 30 (thirty) calendar days of its approval by the Authority.
9. The supervision of the Bureau is carried out by the Authority, which provides by special regulation the reporting and supervision rules and standards.
10. The Annual Financial report of the Bureau shall be subject to legal supervision and certification by the Certified Financial Accountant, which shall deliver its opinion. The terms and criteria of the insurance company's audit shall apply to the Bureau audit.
11. The Bureau shall create an electronic register for the collection and storage of claims data in accordance with the provisions of Articles 41 and 43 of this Law. The operation of the electronic register and the procedures for communication of data by the Bureau and insurance companies shall be determined by regulation of the Authority.

Article 36

Governing Bodies of the Bureau

1. The governing bodies of the Bureau are as follows:
 - a) The General Assembly of Members;
 - b) The Board of Directors;
 - c) Executive Director.
2. The General Assembly of Members consists of representatives of insurance

companies, members of the bureau. Each insurance company, a member of the bureau, is represented by one vote in the meetings of the Assembly. The Chair of the Assembly is elected for a 1-year term according to the rotation system among its members.

3. The Board Directors of the Bureau is composed of 6 members by the General Assembly for a period of up to 4 (four) years with the right of reappointment and one non-voting member elected by the Financial Supervisory Authority. The Board of Directors elects the Chairman of the Board.

4. Voting members of the Board of Directors of the Bureau and the Executive Director of the Bureau with the proposal of the General Assembly of Members. The Authority shall approve or reject the Executive Director within 30 (thirty) days from the date of the filing of the Assembly's decision.

5. The Executive Director of the Bureau is elected for a period of four years, with the right of renomination and the Executive Director of the Bureau participates in all board meetings and General Assembly.

6. The board members and the executive directors shall meet all legal and normative requirements for the status, experience and suitability of the member of the board of an insurance company, according to the provisions of the law regulating the insurance activity in Albania.

7. Members of the Board of Directors and their family members shall not be related parties with the insurance companies that control the Bureau's financial statements. In cases of conflicts of interest, the Board members are subject to the rules defined by the law that regulates insurance activity in Albania.

8. Responsibilities and duties of the governing bodies of the Office and form of its organisation as defined in the Bureau Statute, proposed by the General Assembly of Members and approved by the Financial Supervisory Authority.

Article 37

Guarantee Fund and Green Card Claim Payments Funds

1. The green card guarantee fund is established and administered by the Bureau and is intended to guarantee the financial obligations arising from membership in the green card system.

2. Each member of the Bureau, authorized to issue a green card, shall deposit a bank guarantee to a second-tier bank in Albania, on behalf of the Bureau, in the amount determined by the Assembly of Members, but not less than Euro 250.000 (two hundred and fifty).

3. The Fund for the compensation of the claims of the Green Card is held in special account within the territory of the Republic of Albania. The General Assembly of Members shall determine annually the amount of this Fund.

4. Insurance companies which operate in the territory of the Republic of Albania in the compulsory motor insurance of the green card are obliged to contribute financially to the green card fund in a proportionate method with the gross written premiums in the compulsory motor insurance of the green card during the last previous year.

5. The Bureau is obliged to notify the Authority immediately insurance company, member of the Bureau acts in contravention of the obligations provided in paragraph 2 and 4 of this Article.

6. The Green Card Guarantee Fund is used:

a) in cases of non-fulfilment of the financial liabilities of a member of the bureau,

responsible for the payment of compensation, in compliance with the rules of the green card system;

b) for claim payments which have taken place outside the territory of the Republic of Albania in a member country of the green card system, in the event of the damage caused by the motor vehicle registered in Albania, provided with a false green card, for which the Bureau is liable, according to the rules of the green card system;

c) in cases of closure or bankruptcy of a member of the Bureau.

7. The green card guarantee fund is not included in the calculation of the insurance company's guarantee fund, pursuant to the provisions of the Law regulating the insurance activity in Albania.

Article 38

Administration of the Green Card Guarantee Fund

1. The Bureau shall submit to the Authority the Regulation on the management of the Green Card Guarantee Fund, as well as the rules for handling the payments of the green card damages.

2. The Bureau shall submit to the Authority each month a report on the status of assets covering the payments of the green card damages.

Article 39

Handling of Claims occurring Outside the Territory of the Republic of Albania

1. The Bureau shall assist the domestic injured party, or with a permanent residence in the Republic of Albania, for the handling of a claim associated to a damage occurring during a road accident, which has taken place in a member state of the Green Card system.

2. The injured party may make a claim only in cases when the responsible insurer or its claims representative have not fulfilled the obligations.

3. The claims handling according to paragraph 1 is made in compliance with the multilateral international agreements.

Article 40

Compensation claim

1. Requirements of Articles 9, 10, 11, 12 and 13 of this Law are applied in the same way, by the Bureau and the insurance company which is liable for the settlement of the claims, according to Articles 41 and 43 under this Law.

2. The Bureau may charge and authorize one of its members for the following-up of the procedures, claims handling, carrying out of payments and following up of compensations by the Compensation Fund.

3. Insurance companies shall create and maintain technical provisions for damages in respect as defined in Articles 41, paragraph 1 and 43, paragraph 1 of this Law. Technical provisions for damages shall be calculated by the authorised actuary.

4. The basis, method of calculation, method of keeping technical provisions and their reporting shall be carried out in accordance with the law regulating the activity of

insurance and reinsurance.

5. Payment of the obligation to the third party injured by damage caused by the uninsured motor vehicle, in cases provided for in Articles 41 and 43 of this Law, shall be applicable in accordance with item (e) Article 510 of the Code of Civil Procedure, against the person liable for the damage.

Article 41 **The Compensation Fund**

1. The compensation fund is managed by the Bureau and is intended to pay the claims in relation to property damages and personal injuries occurring within the territory of the Republic of Albania, related to the:

- a) damages caused by the use of uninsured motor vehicles and damage caused by the use of unidentified motor vehicles, unless the injured person is compensated directly by the insurance company, according to paragraph 1 of Article 43 under this Law;
- b) payment of compensation to the passenger in cases where the owner of a motor vehicle in public transport does not have a contract for passenger insurance;
- c) cases of liquidation or bankruptcy of the insurance company.

2. The minimum value of the Compensation Fund aiming at the compensation payment shall not be less than ALL 150.000.000 (one hundred and fifty million). This value shall be maintained by the Bureau as a guarantee fund in a bank account approved with one of the second-tier banks and/or branches of foreign banks in the territory of the Republic of Albania and is invested only in treasury bills and/or bank deposits, on a maturity term of not less than 1 year.

3. The sources of funding for the compensation fund shall be:

- a) contributions from the insurance companies;
- b) additional contributions from insurance companies, where the planned fund is insufficient to cover claims, which are the subject of the compensation fund;
- c) fines imposed on the owner of the vehicle when he has not entered into a compulsory insurance contract, in accordance with the provisions of the Road Code;
- ç) income from investments and other income from the compensation fund;
- d) other sources in compliance with this Law.

4. The Authority on proposal of the Bureau shall determine annually the amount of the contributions in accordance with paragraph 3 of this Article and the term within which the contribution is to be paid.

Article 42 **Payment of Contributions to the Compensation Fund**

1. Insurance companies operating in the territory of the Republic of Albania in the compulsory motor insurance are obliged to contribute financially each year to the compensation fund in accordance with Article 41 under this Law, in proportion to the gross written premiums in the compulsory motor insurance of the previous year, excluding the green card.

2. The Authority shall determine the method of calculation of the Compensation Fund and cases of use, intervention and terms for restoring the minimum value of the

compensation fund provided in Paragraph 2, Article 41 under this Law. The insurance companies are obliged to pay contributions within 15 days after receiving the notification from the Bureau. In the event of failure to comply with that time limit, the payable interest for each calendar day of delay equivalent to treasury bills interest rates with a maturity of (one) year.

3. The Fund's contributions are maintained by the Bureau in one of the second tier banks in the Republic of Albania with a target account for the Compensation Fund. This account will be entitled "Compensation Fund" and will serve only for Compensation Fund claims payments.

4. The Bureau is obliged to notify the Authority immediately if an insurance company acts in contravention of the obligations provided in paragraph 1 and 2 of this Article.

5. Institutions covering health insurance, pension and disability, which compensate the injured party, as a result of accidents caused by uninsured vehicle, unidentified or bankrupted company, have no right to request compensation from the Compensation Fund.

6. The insurance company does not have any obligation for the financing of the Compensation Fund which relates to the liabilities incurred before commencement of the exercise of its activity.

Article 43

Handling and direct payment by the insurance company

1. The Insurance companies carry out the functions of the compensating entity as a direct insurer of the injured third party for the handling and claim payments to property or persons for the damages occurring within the territory of the Republic of Albania,:

- a) damages to property and/or persons inside the insured motor vehicle caused by the uninsured motor vehicle and/or persons inside the uninsured motor vehicle;
- b) personal injuries inside the insured vehicle caused by the unidentified motor vehicle;

2. Exceptionally from the provisions of paragraph 1 of this Article, damages to property and/or person caused to the bus and vehicle used for the carriage of hazardous substances, are handled and paid by the Albanian Insurance Bureau in accordance with Article 41 of this Law.

3. Insurance companies shall handle, pay and compensate the damages provided in paragraph 1 of this Article, in accordance with the terms and procedures laid down in Articles 10, 11 and 12 of this Law.

Article 44

Claims compensation caused by the use of an uninsured motor vehicle

1. The injured party, which damage has occurred within the territory of the Republic of Albania by a motor vehicle whose owner is not covered by liability insurance to a third party has the right to claim compensation from the Bureau or from the insurance company in accordance with Articles 41 and 43 under this Law.

2. In case of damages and losses caused by motor vehicles, according to paragraph 1 of this Article, the Bureau or the insurance company guarantees the limits of liability, as provided in Article 25 of this Law.

3. The Bureau or insurance company has the right of compensation from the responsible

liable of the amount paid, expenses and interest. In the event of a civil action for the claims brought by the injured party against the Bureau or the insurance company, the cause of the damage must be notified to participate as a party in this civil process.

Article 45

Compensation towards the passenger in the transport public

1. In cases when the owner of a motor vehicle has not entered into a passenger insurance contract in the transport sector, the passenger or the beneficiary person of the insurance contract shall have the right to claim the payment of the insured amount from the Compensation Fund.
2. The Bureau has the right to request from the liable person the compensation of the amount paid, expenses and interest payable.

Article 46

Claims compensation caused by use of unidentified motor vehicles

1. The injured party addresses the compensation claim from the Bureau in relation to damages, caused by the use of unidentified motor vehicles.
2. The injured party has the right to be compensated for damages to the person resulting from death, bodily injuries or health deterioration, up to the amount specified in Article 25 of this Law.
3. The injured party has the right to claim compensation for the damages to the property, exceeding the value of ALL 25.000 (twenty-five thousand), up to the amount specified in Article 25 of this Law, excluding the damage caused to the motor vehicle. The injured party has the right to be compensated for these damages, upon payment by the Bureau or company for property damages and personal injuries occurring in accidents resulting in death, body injuries or health deterioration.
4. In case of subsequent identification of the motor vehicle, which has caused the accident, or of the responsible insurance company, the Bureau has the right to be compensated by the liable person or insurance company, up to the amount paid for damages, expenses and interests.
5. The provisions of paragraphs 1, 2 and 3 of this Article shall apply even when the motor vehicle results unlawfully possessed at the moment of the accident.

Article 47

Claim Compensation in the event of liquidation or bankruptcy of the insurance company

1. If the insurance company licensed to carry out an activity pursuant to Article 2, paragraph 1, point (a) and (b) ceases the activity, the injured party has the right to file a compensation claim to the Bureau.
2. The injured party has the right of compensation up to the amounts provided in Article 25 of this Law.
3. In the event of payment of damages in the course of liquidation/bankruptcy proceedings of the insurance company, the Bureau has the right to be reimbursed by the insurance company, which is under legal proceedings, for the amount of claims paid,

expenses and interest payable. As long as the liquidation/bankruptcy proceedings are conducted, the Bureau has the compensation right for all amounts arising from the availability of the insurance company.

Article 48

Administration of the Compensation Fund

1. The Bureau shall submit to the Authority a regulation on the administration of the Compensation fund.
2. The contribution of each member to the fund provided in Paragraph 2 of Article 41 of this Law, the terms for the payment of the contribution, the use and restoration of this fund are approved by regulation of the Authority.
3. The Bureau shall submit to the Authority every month the report on the status of the compensation fund.

Article 49

Financial Statements of the Bureau

1. The Bureau shall submit the annual financial statements to the Authority, the report on operations and its activity for the previous year, as well as the report of the external auditor by 31 March of the upcoming year.
2. Any surplus of expenditure incomes, shown in the statement of revenues of the Bureau, will be transferred to the next year and will be taken into consideration when determining the suitable amount for financing the budget of the Bureau for the upcoming year.

CHAPTER VIII

LIABILITY INSURANCE OF THE OWNERS OF VESSELS FOR THE DAMAGE CAUSED TO THIRD PARTIES

Article 50

Obligation to Enter into an Insurance Contract

1. The owner of the vessels with an engine power greater than 15 kw which, according to the rules of the registration of vessels, must be registered in the registry of vessels, is obliged to enter into a liability insurance contract for property damages and personal injuries caused to third parties.
2. Pursuant to paragraph 1 of this Article, third parties shall not include persons on board a small vessel, who have caused the damage, or persons on another vessel or on board of any other vessel.
3. The owner of a small vessel who enters the territorial waters of the Republic of Albania must have a valid liability insurance contract for damages to third parties, pursuant to paragraph 1 of this Article, unless there is another guarantee of compensation for damages or otherwise defined in international agreements.
4. The provisions of this Article shall also apply to the liability of owners of small engine powered vessels while floating on the sea territory of the Republic of Albania.

Article 51
Insurance Amount

1. The obligation of the insurance company for claims compensation under Article 50 of this Law shall be equivalent to the amount insured valid on the day of the insurance event, unless a higher amount shall be provided in the insurance contract.
2. The minimum insured amount in the insurance contract, pursuant to the definitions of paragraph 1 of this Article, for each single event is ALL 50.000.000 (fifty million).

CHAPTER IX
AIRCRAFTS' OWNERS LIABILITY INSURANCE RELATED
THE DAMAGE CAUSED TO THIRD PARTIES

Article 52
Obligation to Enter an Insurance Contract

1. The owner of the aircraft registered in the Albanian register of civilian aircrafts shall enter a liability insurance contract for every damage and/or losses 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:
 - a) personal injuries caused to third parties resulting in death, body injuries, health deterioration, and damage or property demolition, during the aircraft flight;
 - b) personal injuries caused to passengers resulting in death, body injuries and deterioration of passengers' health in the course of the aircraft flight;
 - c) damages or losses of passengers' personal belongings, which are placed in the cabin of the aircraft;
 - ç) damages or losses of cargo and check-in luggage which have passed the registration process;
3. A third party is each person other than a passenger and member of flight and cabin crew of an aircraft during the flight of the aircraft.
4. The passenger referred to paragraph 2, point (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 the flight.
5. The insurance contract referred to in paragraph 1 of this Article shall not cover losses referred to in paragraph 2, points (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 Maximum Take Off Mass (MTOM) up to 500 kg, the insurance contract referred to in paragraph 1 of this Article shall not cover damages and/or losses caused by acts of war or terrorism.
8. The owner of an aircraft registered outside the territory of the Republic of Albania 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, unless an international agreement is provided otherwise.
9. By way of derogation from what is stipulated in paragraph 8 of this Article, the owner of an aircraft, who is not registered in the Republic of Albania, the flights of which do not include

landing at or take-off from the territory of the Republic of Albania, but only flights over the territory of the Republic of Albania, shall not be subject to the obligation provided in point (b), (c) and (ç) of paragraph 2 of this Article.

Article 53
Insurance undertaking liability and insured amount

1. The liability of the insurance undertaking under the insurance contract referred to in Article 52, Paragraph 1 of this Law shall correspond to the effective insured amount on the date of occurrence of the loss event, unless a higher insured amount is provided in the insurance contract.

2. The minimum liability per single loss event defined in the insurance contract as referred to in Paragraph 1 of this Article shall be as follows:

a) for damages and/or losses to third parties:

i) for paragliders, motor gliders, as well as hang-gliders that are controlled from the land, the MTOM of which is over 20 kg, shall be no less than 10,000 SDR

ii) for unattached balloons with crew the minimum liability shall be no less than 20,000 SDR

iii) in case of 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
- from 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 check-in luggage 17 SDR per kg.

3. Apart from what is stipulated in paragraph 2, point (b) of this Article, the lowest amount 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 liability rate but not less than 100,000 SDR per passenger.

CHAPTER X
ADMINISTRATIVE VIOLATIONS

Article 54
Administrative measures of the Authority

1. In the event of a violation of the provisions of Article 7, 10, 11, 37, 42, 43 of this Law, the

Authority may take the following administrative measures towards the insurance company:

- a) publicly announces, at its own expense, information on the misconduct of insurance companies;
- b) withdraws approval for the members of the managing bodies of the insurance company;
- c) suspends temporarily or definitively the license to carry out the relevant insurance activity when it notices a high number of repeated violations.

Article 55

Violations of the Provisions by the Insurance Company

1. The Authority shall impose sanctions, with a fine ranging from ALL 100.000 to 300.000, against the insurance company and the branch of the foreign company when the holder of the insurance contract does not comprise available requirements provided in paragraph 4, Article 15 of this Law.
2. In case of violations provided in paragraph 1 of this Article, the Authority also imposes a fine from ALL 100.000 (hundred thousand) to ALL 200.000 (two hundred thousand) for the liable persons of the insurance company.
3. The Authority shall impose a fine from ALL 500.000 (five hundred thousand) to ALL 1.500.000 (one million and five hundred thousand) against the insurance company and to the branch of the foreign company, when it:
 - a) drafts an insurance contract in contravention to the provisions of paragraph 1 of Article 15 of this Law;
 - b) does not file a European Accident Report with the policyholder, in accordance with paragraph 1 of Article 14 of this Law;
 - c) refuses the proposal to conclude an insurance contract in contravention of paragraph 2 of Article 15 of this Law;
 - ç) carries out activity of compulsory insurance, pursuant to item (a), paragraph 1, Article 2 under this Law and is not a member of the Bureau;
 - d) does not finance the budget to the Bureau in compliance with the paragraph 8 of Article 35 under this Law;
 - dh) does not finance and does not deposit the green card of the guarantee fund;
 - e) acts in contravention of Article 31 and 33 of this Law.
4. The Authority imposes a fine of ALL 200.000 (two hundred thousand) to ALL 400.000 (four hundred thousand) against all liable persons of the insurance company in case of violations of paragraph 3 of this Article.
5. The Authority shall impose fines from ALL 1.000.000 (one million) to ALL 2.000.000 (two million) against the insurance company and to the branch of the foreign company, where such company or branch:
 - a) acts in contravention of Article 7 of this Law;
 - b) acts in contravention of Article 10 of this Law;
 - c) handles the claim for compensation in violation of the rules referred to Article 11 under this Law;
 - ç) offers to the injured party the value of the claim compensation in contravention with Article 11 of this Law;
 - d) does not finance the minimum value of the Compensation Fund provided in Article 41 of this Law;
 - dh) does not generate and maintain technical provisions provided in paragraphs 3 and 4 under Article 40 of this Law;

- e) does not contribute financially to the Compensation Fund, contrary to paragraphs 1 and 2 under Article 42 of this Law;
 - ë) acts contrary to the provisions of Article 43 of this Law;
 - f) does not report in accordance with the rules provided in paragraph 11 of Article 35 of this Law;
 - g) acts in contravention of paragraph 4, Article 31 of this Law;
 - gj) violates the provisions of Articles 40 of this Law;
 - h) violates the provisions of Article 12 of this Law.
6. In case of violations provided in paragraph 5 of this Article, the Authority also imposes a fine from ALL 200.000 (hundred thousand) to ALL 400.000 (two hundred thousand) for the liable persons of the insurance company.
 7. In case of ascertaining the violations provided in paragraph of this Article, the authority shall also impose a fine from ALL 200.000 (two hundred thousand) to ALL 400.000 (four hundred thousand) against the claim adjusters in insurance.
 8. The Authority shall impose a fine of ALL 500.000 (five hundred thousand) to ALL 1.000.000 (one million) against the insurance company, in the event of a refusal of the financial contribution and the data supply provided in Article 31 of this Law.
 9. The Authority shall impose a fine of ALL 200.000 (two hundred thousand) to ALL 400.000 (four hundred thousand) for the liable persons of the insurance company in case of violations of paragraph 8 of this Article.

Article 56

Violations of the Provisions by the Bureau

1. The Authority shall impose a fine of ALL 500.000 (five hundred thousand) and ALL 1.000.000 (one million) against the Bureau when it:
 - a) does not administer and use the Green Card Guarantee Fund, based on the method provided by the Law or regulations, pursuant to Article 37 and 38 of this Law;
 - b) does not propose, create and administer the compensation fund in accordance with the rules established by law or regulation in accordance with Articles 41, 42 and 48 of this Law;
 - c) does not provide a reasoned offer or information to the injured party within the terms provided in Article 10 of this Law, where the Bureau is obliged to pay the compensation;
 - ç) does not pay to the injured party the value corresponding to the indisputable part of the damage pursuant to Article 10 of this Law, for which it is obliged, pursuant to the definitions of this Law;
 - d) handles the compensation claim contrary to the rules laid down in Article 11 of this Law;
2. In case of violations of paragraph 1 of this Article, the Authority shall also impose a fine of between ALL 50.000 (fifty thousand) and ALL 200.000 (two hundred thousand) even against other liable persons of the Bureau.
3. The Authority shall impose a fine ranging from ALL 200.000 (two hundred thousand) to ALL 400.000 (four hundred thousand) against the Executive Director of the Bureau when:
 - a) does not notify the Authority, pursuant to the definitions of Article 37, paragraph 5 and does not report pursuant to Article 38 of this Law;
 - b) does not follow the the requirements of paragraph 4, Article 42 and does not report according to Article 48 of this Law;
 - c) does not make it available to the injured person or to any other party involved in the accident, information available and does not allow the use of such information in accordance with the provisions of this Law;
 - ç) does not follow the compensation procedures by the responsible party as defined by this Law.
4. In case of violations, pursuant to paragraph 3 of this Article, the Authority imposes a fine from

ALL 50.000 (fifty thousand) to ALL 200.000 (two hundred thousand) even against the liable person of the Bureau.

5. The Authority shall impose a fine ranging from ALL 500.000 (five hundred) to ALL 1.000.000 (one million) against the Albanian Insurance Bureau for failure to provide data, provided in paragraph 1 of Article 35 of this Law.

6. In the event of failure to fulfil obligations by the Executive Director of the Bureau and the member of the Board of Directors, as well as the fitness and properness requirements, the Authority may revoke the given appointment.

Article 57 **Repetitions of Violations of the Provisions**

In case of repeated violations, the authority may decide to double the sanctions provided in Articles 55 and 56 of this Law.

CHAPTER XI **TRANSITIONAL PROVISIONS**

Article 58 **Issuing of By-laws**

1. The Minister responsible for the finance and the minister responsible for the defence shall be in charge for approval of the by-laws referred to paragraph 3 of Article 2 under this Law within 180 (hundred and eighty) calendar days from the entry in the force of this Law.

2. The Minister responsible for internal affairs shall be responsible, the Minister responsible for the Infrastructure and Financial Supervisory Authority shall be in charge for the approval of the agreement according with paragraph 5 of Article 34 of this Law within 180 (hundred and eighty) calendar days from the entry into force of this Law.

3. The Authority within 180 (one hundred and eighty) calendar days from the date of the entry into force of this law shall approve the instructions and regulations provided in this law.

Article 59 **Transitional provisions**

1. The organization of the Albanian Insurance Bureau is made within 180 (one hundred and eighty) calendar days from the entry into force of this Law according to Articles 35 and 36 this Law.

2. The minimum value of the compensation fund for damages, in accordance with paragraph 2 of Article 41 of the present law, is constituted within 180 (one hundred and eighty) calendar days from the entry into force of this Law.

3. The Authority shall approve the rules governing the administration and payment of files compensation fund, with the date of the claim prior to the entry into force of this Law.

4. Compensation claims made on the day of the accident prior to the entry into force of this Law

shall be handled in accordance with the legislation in force.

Article 60
Repeal

Law No. 100 76, dated 12.2.2009 “On Compulsory Insurance in the Transport Sector”, as amended, shall repeal upon entry into force of this Law.

Article 61

Entry into Force

This Law shall enter into force on July 1st 2021.

Chairman
Gramoz Ruçi

Adopted on 16.03.2021