

The Parliament of Romania

LAW no. 132 of May 31, 2017
on the compulsory insurance against civil liability for the damage to third parties caused by vehicle and tram accidents

Published in the Official Journal no. 431 of June 12, 2017.

The Romanian Parliament hereby adopts this law.

CHAPTER I: Subject matter and definitions

Art. 1: Regulatory matter

This law governs:

- a) compulsory insurance against civil liability for the damage to third parties caused by vehicle and tram accidents, hereinafter referred to as RCA insurance;
- b) the scope of application of the RCA insurance, namely the persons having the obligation to conclude RCA contracts and the exclusions from such obligation, territorial limits for coverage, limits of liability, insured persons' obligations, RCA insurer's obligations, risks covered and exclusions, elements concerning the determination and payment of compensation, verification of RCA insurance, facilities and penalties applicable to insured persons and insurers;
- c) the organisation and operation of the Romanian Motor Insurers' Bureau, hereinafter referred to as "BAAR".

Art. 2: Definitions

The terms and expressions used in this law shall have the meaning assigned to them in Law no. 237/2015 on the authorisation and supervision of the business of insurance and reinsurance, as subsequently amended and supplemented, and the following meanings:

- 1. **vehicle accident** - means the event in which at least one vehicle was involved and which caused damage to property and/or the health and personal injuries or the death of one or more persons;
- 2. **Multilateral Agreement** - means the agreement between the national insurers' bureaux of the Member States of the European Union or Parties to the Agreement on the European Economic Area and other associate States for the application of the provisions of Article 2 of Council Directive 72/166/EEC with regard to checks on insurance against civil liability in respect of the use of motor vehicles, in force for the national bureau of Romania based on Council Decision 2007/482/EC;
- 3. **optional insurance** - insurance in which the relations between the insured and insurer, as well as the rights and obligations of each party are established by the insurance contract;
- 4. **insured person** - means the owner or user of a vehicle or tram whose tort liability is contractually taken over by an RCA insurer under the RCA contract valid for the damage to third parties caused by vehicle/tram accidents;
- 5. **high-risk insured person** - the person who, based on risk classification, for which at least 3 RCA insurers offer a premium rate N times higher than the reference rate calculated by BAAR; the "N" factor is set by BAAR with the approval of the Financial Supervisory Authority and is calculated for a vehicle

with the same technical characteristics as the vehicle for which insurance is requested, as well as for the same bonus-malus class of the insured person/user; the technical characteristics of vehicles shall be related to cylinder capacity, except for electric-powered vehicles, in which case their power will be taken into account;

6. RCA insurer - means an insurer authorised to conduct the business of RCA insurance

7. registration of damage - notification of the insurer by the injured person, insured or their representatives, regarding the occurrence of the insured event; the notification must be accompanied by the documents necessary to establish the liability of the RCA insurer;

8. national motor insurers' bureau - means a professional organisation which is constituted in accordance with Recommendation no. 5 adopted on 25 January 1949 by the Road Transport Sub-committee of the Inland Transport Committee of the United Nations Economic Commission for Europe and which groups together insurance undertakings which, in a State, are authorised to conduct the business of motor vehicle insurance against civil liability

9. Romanian Motor Insurers' Bureau (BAAR)- means the independent and autonomous professional association of all insurance undertakings, regardless of their legal form and the State in which they have their registered office, that are authorised under the law to conduct in Romania the business of the compulsory motor vehicle insurance against civil liability for the damage caused to third parties by vehicle accidents and that fulfil the duties of national bureau of motor insurers, compensation paying body, compensation body, information centre, and other duties conferred on it by law;

10. bonus/malus - a system whereby the insured person is placed in one of the bonus classes (which leads to the reduction of the insurance premium) or in one of the malus classes (which leads to the increase of the insurance premium), depending on his damage history during the reference period;

11. Green Card - means an international certificate of insurance issued on behalf of a national motor insurers' bureau in accordance with Recommendation no. 5 adopted on 25 January 1949 by the Road Transport Sub-committee of the Inland Transport Committee of the United Nations Economic Commission for Europe;

12. claim - means the document whereby the injured party or the insured person files with the RCA insurer or BAAR its claims for compensation;

13. RCA contract - means the contract of compulsory insurance against civil liability for the damage to third parties caused by vehicle and tram accidents the conclusion of which is found in the RCA insurance policy, attesting to the existence of the civil liability insurance for the damage to third parties caused by vehicle accidents; the contractual conditions for the RCA insurance are set out in this law and in the regulations of the Financial Supervisory Authority, hereinafter referred to as ASF, issued for its application; the form and content of the RCA contract shall be laid down in regulations of ASF.

14. policyholder - means the person who concludes the RCA contract and undertakes to the RCA insurer to pay the insurance premium;

15. correspondent - means any person appointed by the Romanian Motor Insurers' Bureau to represent one or more insurers of abroad, members of other national motor insurers' bureaux, with a view to settling claims filed by persons injured by vehicle accidents occurring in the territory of Romania involving vehicles for which the insurers in question have issued RCA insurance;

16. Total Loss - the situation of a damaged vehicle or property, the repair value of which exceeds its market value;

17. direct settlement - claims management support service by RCA insurers of their own policyholders, which is mandatory to be provided by the insurer, and its purchase is optional for the insured person;

18. territorial limits for coverage of the civil liability insurance for the damage caused by vehicle accidents means:

a) the territory of Romania;

b) the territory of Member States of the European Union, the Parties to the Agreement on the European Economic Area Economic, hereinafter referred to as the “Member States” and the territory of the Swiss Confederation;

c) the territory of the States directly joining two Member States of the European Union, in which there is no national motor insurers’ bureau;

d) the territory of the states under the competence of the national motor insurers’ bureaux signatories of the Multilateral Agreement;

19. representative - any natural or legal person empowered under the law to represent the interests of the injured party in its relations with the RCA insurer and the repair shop;

20. injured party - means any person entitled to claim compensation in respect of any damage caused by a risk covered by an RCA contract

21. RCA insurance policy - the document certifying the conclusion of the RCA insurance contract and certifying the existence of the insurance against civil liability for the damage to third parties caused by vehicle and tram accidents;

22. injury (damage) - means the negative effect suffered by the injured party due to a risk covered by an RCA contract

23. surrender - means the share of the damage borne by the insured person in accordance with this law and the RCA insurance contract;

24. Reference rate - Indicative insurance premium, determined on the basis of the statistical data from the RCA insurance market. The reference rate shall be calculated according to the formula:

Ref. rate = $PR \times (1+IBNR) \times (1+f)^t \times (1+i)^t / (1-Ch-P) \times (1-BM)$, where:

PR = risk premium = average damage (Dm) x average frequency (Fm), based on statistical data;

IBNR = Incurred but not reported claims;

f = annual rate of change of the frequency of the damage, based on statistical data;

i = annual rate of change of the inflation (severity) of damages, based on statistical data;

t = the difference in years between the average occurrence of the damage during the application period of the reference rate and the average occurrence of the damage during the analysis period;

Ch = the insurer's expenses determined at an average value expressed as a percentage of the gross premium;

P = profit margin expressed as a percentage of the gross premium;

BM = loading due to the bonus-malus system;

Dm and Fm are factors reported over the last 5 years;

25. territory in which the vehicle is normally based means:

a) the territory of the State of which the vehicle bears a registration plate, irrespective of whether the plate is permanent or temporary; or

b) in cases where no registration is required for a type of vehicle but the vehicle has an RCA contract or a distinguishing sign analogous to the registration plate, the territory of the State in which the RCA contract or the sign is issued; or

c) in cases where neither a registration plate nor an RCA contract nor a distinguishing sign is required, for certain types of vehicle, the territory of the State in which the owner of the vehicle is permanently resident; or

d) in cases where the vehicle does not bear any registration plate or bears a registration plate which does not correspond or no longer corresponds to the vehicle and has been involved in an accident, the territory of the State in which the accident took place, for the purpose of settling the claim by the national motor insurers’ bureau or by the compensation paying body;

26. repair shop - means the Romanian legal person, whose main activity is the maintenance and repair of vehicles and is authorised for these activities; for repairs carried out in Romania, the authorisation is issued by the Autonomous Administration “Romanian Automotive Register”, according to the law;

27. vehicle - means of transport with or without propulsion by road, including any type of trailer, whether coupled or not, for which there is a legal obligation to register in Romania, with the exception of those travelling by rails, other than trams, bicycles or animal drawn vehicles;

28. user - a natural or legal person, to whom the owner of the vehicle grants the right to use it for a certain period, based on rental agreement, lease or other legal act.

Art. 3: The obligation to conclude the RCA contract

Natural or legal persons that own vehicles subject to registration in Romania, and also trams, must conclude insurance contracts for any cases of civil liability arising from the damage caused by vehicle accidents within the territorial limits referred to in Art. 2 Point 18.

Art. 4: Exclusions from the obligation to conclude the RCA contract

The natural and legal persons that use the vehicles solely for training, racing, competitions or rallies, organised in accordance with the law shall be exempt from the obligation to conclude an RCA contract; the car owners or competition organisers may conclude an optional insurance for the risks arising from these activities.

CHAPTER II: General provisions concerning the RCA contract

Art. 5: Conclusion of the RCA contract

(1) The RCA contract shall be concluded for a period of time ranging between one month and 12 months, multiples of one month, at the insured person's choice.

(2) By way of exception from the provisions of Para (1), the RCA contract may be concluded for a period of less than one month in the following situations:

a) for vehicles registered in other Member States of the European Economic Area and the Swiss Confederation, for which insurance is required for the purpose of importing them to Romania, for a period of maximum 30 days from the ownership acquisition date, evidenced by supporting documents;

b) for vehicles intended for export, for a period of maximum 30 days;

c) for vehicles temporarily authorised for road traffic, for periods of 30 days, but no more than 90 days cumulated.

(3) The payment of the insurance premiums shall be made in full or by instalments in accordance with the agreement between the insured person and the RCA insurer. The RCA contract shall become effective even if the instalment of the insurance premium was not paid by the time limit agreed between the insured person/policyholder/user and the RCA insurer, provided that the RCA insurer has not exercised its right to terminate the RCA contract. The RCA contract is an enforceable title for the due and outstanding instalments.

(4) The RCA insurance shall become effective based on the provisions of this law, regulations issued by ASF for its application, and due to the conclusion of the RCA contract between the insured person and the RCA insurer, including by electronic means, in accordance with the regulations issued by ASF.

(5) The parties may also agree to insert additional clauses other than those set out in this law and in the regulations issued by ASF for its application, except for those that restrict the rights of the injured party.

(6) The insured person undertakes to pay the insurance premium to the RCA insurer, and the RCA insurer undertakes to pay the compensation to the injured third party when the insured risk occurs, under the conditions laid down by the law and contract.

(7) At the time of conclusion of the RCA contract, and during its performance, the insured person must allow the RCA insurer's access to CEDAM database, to the records of previous accidents and claims, and

provide all information requested by the RCA insurer to assess the risk and calculate the insurance premium, set out by the regulations issued by ASF.

(8) The RCA insurer's liability commences:

a) on the day following the expiry date of the previous RCA contract, for the insured person that fulfils its obligation to conclude the insurance no later than the last day of its validity period;

b) on the day following that when the RCA contract was concluded, for the persons that did not have an RCA insurance valid at the time of conclusion of the insurance;

c) at the time of issuance of the RCA contract, but not sooner than the entry into force of the temporary circulation authorisation or the registration of the vehicle, for vehicles that were sold and are to be registered.

(9) Where the information provided by the insured person does not correspond to reality at the time of conclusion of the RCA contract, the insurance premium may be recalculated and modified by the RCA insurer after prior notification to the insured person.

(10) In the case referred to in Para (9), where the insured person does not give its consent for the modification of the contractual conditions, then it may terminate the RCA contract within 20 days after receipt of such notification.

(11) For the purpose of maintaining the bonus/malus class, the parties may agree through the RCA contract on the surrender possibility, i.e. that the insured person bears the counter value of the compensation corresponding to the event, paying it to the RCA insurer, after the due compensation is paid to the injured party.

Art. 6: The RCA contract

(1) The RCA contract shall contain information on the: number and date of the contract, parties to the RCA contract, validity term, maximum limits of liability set out by the RCA insurer, insurance premium, number of instalments, due date of instalments, intermediary, bonus- malus class, registration plate and vehicle identification number and the States where such document is valid.

(2) The RCA insurers shall request the information necessary for the assessment of the risk, considering their own criteria set out in the premium rate, and verify the accuracy of the information on the identification and technical data of the vehicle, data of the owner/its user.

(3) The RCA insurers shall assume responsibility for the RCA contracts, including those allocated by BAAR under Art. 19 Para. (2), and for the errors or omissions in the issuance of the RCA contracts either directly, or through insurance intermediaries, defined in Law No. 32/2000 on the business and supervision of insurance and reinsurance intermediaries, as subsequently amended and supplemented.

(4) The minimum limits of liability covered by the RCA insurance in accordance with the regulations of the European Union shall be as follows:

a) in the case of damage to property occurred in the same accident, regardless of the number of injured parties, the compensation limit shall be set, for accidents, at a level of EUR 1,220,000, equivalent in lei at the exchange rate of the foreign exchange market at the date of the accident, communicated by the National Bank of Romania;

b) in the case of personal injury and death, including for non-material damage occurred in the same accident, regardless of the number of injured parties, the compensation limit shall be set, for accidents, at a level of EUR 6,070,000, equivalent in lei at the exchange rate of the foreign exchange market at the date of the accident, communicated by the National Bank of Romania;

(5) The limits of liability shall be revised every 5 years, depending on the evolution of the European Index of Consumer Prices (EICP) established in accordance with Council Regulation (EC) No 2494/95 of 23 October 1995 concerning harmonized indices of consumer prices and laid down in the regulations issued by ASF.

(6) The RCA contract may be suspended at the request of the insured person with whom the RCA contract was concluded throughout the suspension of the right of the vehicle to be on the road in accordance with the law or throughout the period in which the vehicle is held stationary, with the obligation to submit the registration plates to the issuing authority. The suspension procedure shall be determined by joint regulations of the Ministry of Internal Affairs, the Ministry of Transport, ASF and the Ministry of Regional Development, Public Administration and European Funds.

(7) The insured person has the obligation to hold the vehicle stationary in a private area, outside the public domain, during the suspension of the RCA contract. Failure to comply with this obligation means the breach of the insurance obligation and the non-fulfilment of the obligation to submit the registration plates and shall be sanctioned by fine according to art. 37 Para. (9).

(8) The RCA contract shall entitle the injured party, in the case of any damage, to choose for the repair any automobile repair shop, in accordance with the law, without any restriction whatsoever or constraint which may influence its choice.

(9) In applying the provisions of Para. (8) the RCA contract shall include a clause whereby the injured party, in the event of damage occurring, may address for repairs to any economic operator carrying out vehicle repair activities under the law, without any restriction or constraint that might influence their choice.

CHAPTER III: End of the RCA contract and multiple insurance

Art. 7: End of the RCA contract

The validity of the RCA contract shall end:

- a)** on the date the owner of the vehicle notifies the RCA insurer of the transfer of the ownership right over the vehicle, accompanied by the supporting documents;
- b)** on the date the vehicle is deregistered;
- c)** on the date of expiry of the term set out in the RCA contract.

Art. 8: Automatic termination and unilateral termination of the RCA contract

(1) The RCA contract shall be automatically terminated where:

- a)** the insured risk occurred or its occurrence became impossible prior to the commencement of the obligation of the RCA insurer;
- b)** the occurrence of the insured risk became impossible after the commencement of the obligation of the RCA insurer.

(2) In the cases referred to in Para (1) and Art. 7 letters a) and b), where the insured person paid the insurance premium in full or by instalments, then he has the right to recover it by the proportion of the unexpired period of the RCA contract, in so far as the compensation was not paid or no compensation is owed for any events occurred during the validity term of the insurance. Where the RCA insurer must pay compensation for events covered by the RCA contract, the RCA insurer shall have the right to recover from the insured person the insurance premium returned to it, upon request.

(3) The insured person has the obligation to inform the RCA insurer about the conclusion of other RCA contracts with other RCA insurers and may opt for the maintenance of a single RCA contract. The right of option shall be exercised only once during a calendar year and may opt for the termination of contracts with the effective date following the conclusion of the first RCA contract concluded.

Art. 9: Multiple RCA insurance

(1) Where, at the time of occurrence of the accident, several valid RCA contracts were concluded for the same vehicle, the compensation shall be paid in equal part by all RCA insurers

(2) The compensation shall be paid in full by the RCA insurer with whom the injured party filed its claims, and then the RCA insurer in question shall bring proceedings against the other RCA insurers to recover the corresponding share of the claim, paid in their names.

(3) The insured person shall inform the RCA insurer of the conclusion of other RCA contracts with other RCA insurers and may opt to maintain in force only one RCA contract; the right of option shall be exercised once within a period of one calendar year.

CHAPTER IV: Scope of RCA insurance

Art. 10: General provisions

(1) The RCA insurance shall cover, on the basis of a single premium, the damage caused to third parties by vehicle and tram accidents

(2) The RCA insurer shall pay compensation for the damage caused to third parties by vehicle and tram accidents also for the expenses incurred by them in civil lawsuits, in line with:

a) the level imposed by the legislation of the Member State in whose territory the accident occurred, or the level of the legislation of Romania if higher

b) the level imposed by the legislation of Romania, where the injured parties are citizens of a Member State, during a direct journey between two territories in which the Treaty on European Union and the Treaty on the Functioning of the European Union is in force, if there is no national motor insurers' bureau responsible for the territory which is being crossed and where the accident occurred.

(3) The compensation shall be paid in an amount equal to the extent of the damage up to the maximum limit of liability of the RCA insurer which shall be equal to the highest value of the limit of liability set out in the applicable legislation, in accordance with the provisions of Para (2), and that set out in the RCA contract.

Art. 11: Covered risks

(1) The RCA insurer shall compensate the injured party for the damage incurred as a result of the accident caused through the use of the insured vehicle.

(2) Without exceeding the limits of liability laid down in the RCA contract, in accordance with the provisions of Art.6(4) and (5) and in so far as the insured event occurred during the validity term of the RCA contract, the RCA insurer shall pay money compensation for:

a) personal injury or death, including for non-material damage;

b) damage to property, including deregistration and registration costs, stamp duties, expenses incurred for minimising the loss, supported by documents, expenses related to the reduction in the value of the vehicle after the repair, proven by documents or expert appraisal;

c) costs related to returning the vehicle to the condition prior to the insured event, evidenced by documents issued by specialized systems or by documents issued under the law;

d) damage representing the consequence of the lack of use of the damaged vehicle, including the temporary replacement of the vehicle, at the injured party's choice;

e) costs incurred by the injured party or costs incurred with the alternative dispute resolution if the court ruling is in favour of the injured party;

f) costs related to the carriage of the damaged vehicle, belonging to the injured third party, from the accident site to the location where the damage finding centre is located, to the repair shop chosen by the injured person to repair the vehicle, the closest/nearest to the place where the accident occurred or

the domicile of the injured person, as the case may be, if the vehicle can no longer move by its own means, and the insurer does not provide the transport.

(3) Regardless of where the vehicle accident occurred - on public roads, on roads that are not open to public traffic, in premises and in any other places, both while moving, and when the insured vehicle was stationary, the RCA insurer shall grant compensation up to the limit of liability set out in the RCA contract for:

a) the damage caused by any devices or installations installed on the vehicle, including for the damage caused due to the accidental detachment of the trailer, semi-trailer or the side-car pulled by the vehicle;

b) the damage caused by the fault of the insured vehicle's driver,

c) the damage caused by the thing itself, when the damage is caused by the characteristics or by the action or inaction of the vehicle, by another thing displaced by the vehicle's movement, by the leaking, spilling or accidental fall of substances, materials or objects carried;

d) damage caused to third parties as a consequence of opening the vehicle doors while travelling or by its passengers when the vehicle is stopped or stationed, without making sure that the safety of the other road users is not endangered.

e) damage caused to third parties as a consequence of driving the vehicle under the influence of alcohol or drugs.

(4) The provisions of Para. (3) letter B) shall also apply in cases where the driver of the vehicle, on the date of the accident:

a) was driving the vehicle without the explicit or implicit consent of the insured person;

b) does not have a license to drive such vehicle;

c) did not comply with the technical obligations regarding the condition and safety of such vehicle.

(5) Family members of the insured person, of the driver or of any other person whose civil liability is engaged in a vehicle accident and covered by the RCA insurance shall not be excluded from the benefit of insurance for their own personal injuries.

Art. 12: Exclusions

The RCA insurer shall not grant compensation for:

a) the cases where the vehicle's owner, user or driver at fault for the accident is not civilly liable, if the accident occurred:

(i) in a force majeure event;

(ii) due to the exclusive fault of the injured party;

(iii) due to the exclusive fault of a third party, except for the situations set out in Art. 11(3) Letter d);

b) the damage caused to goods belonging to the vehicle's driver responsible for the occurrence of the accident and those caused by the driver's personal injury or death, regardless of who claims such compensation;

c) in the following situations:

(i) the damages were caused to goods belonging to natural or legal persons, if they were caused by a vehicle with RCA insurance, owned or used by the same natural or legal person and which is driven by an agent of the same legal person or by another person for whom the natural or legal person is responsible;

(ii) the damaged property and the insured vehicle are part of the spouses' community property;

(iii) the damaged property is used by the owner of the insured vehicle that caused the damage;

d) the damage caused in the cases where the validity of the compulsory RCA insurance is not proven at the time of the event or the RCA insurer is not liable;

e) the part of the damage in excess of the limits of liability set out in the RCA contract, occurred in the same accident, regardless of the number of injured parties and the number of persons liable for the accident;

- f)** any fines and criminal law related expenses that the insured vehicle's owner, user or driver, responsible for the damage, would have to pay;
- g)** the expenses incurred in the criminal lawsuit by the insured vehicle's owner, user or driver, responsible for the damage, even if the civil part of the trial was also settled in the criminal lawsuit;
- h)** the amounts that the vehicle driver responsible for the damage must pay to the owner or user who entrusted the insured vehicle to him, for damaging or destroying the vehicle;
- i)** the damage caused to the goods carried, if at the time of the accident there was a contractual relationship between the owner or user of the vehicle that caused the accident or the driver responsible and the injured parties;
- j)** the damage caused to the persons or goods inside the vehicle that caused the accident if the RCA insurer may prove that the injured parties were aware of the fact that the vehicle was stolen;
- k)** the damage caused by the devices or installations installed on vehicles when they are used as working installations or machinery, which represent risks of the professional activity;
- l)** the damage caused by accidents occurred during the loading or unloading operations, which represent risks of the professional activity;
- m)** the damage caused further to the transport of hazardous products: radioactive, ionizing, flammable, explosive, corrosive, combustible products, which caused or aggravated the damage;
- n)** the damage caused by the use of a vehicle during a terrorist attack or a war, if the event is directly connected with such attack or war;

Art. 13: Shared blame

- (1)** In the event that the injured party negligently contributed to the accident or increased the damage, the person responsible for it shall be held liable only for that part of the damage attributable to him - shared blame; in such cases the extent of each person's liability shall be established by any means of evidence
- (2)** Where the extent of each person's liability cannot be determined, then it shall be established equally, in relation to the number of the parties involved in the accident, each party being entitled to compensation in that proportion in which such party was not liable for the accident.

Art. 14: Amount of compensation

- (1)** Compensation shall be paid in an amount equal to the extent of the damage up to the maximum limit of liability of the RCA insurer that is equal to the highest value of the limit of liability laid down in the applicable legislation and that set out in the RCA contract, and the insurer is obliged to inform the maximum compensation value, at the request of the injured person or his representative, within 7 calendar days.
- (2)** In the case of total loss, the insurer assesses the damaged vehicle through a specialized assessment system or by documents issued under the law in order to determine its market value from at the time before the occurrence of the event. The injured person may opt for repair up to the market value of the vehicle, calculated after the assessment, or to settle the case as total damage by paying the difference between the market value of the vehicle and the value of the wreck.
- (3)** The value of the repair is determined using the specialized rating systems or by documents issued under the law in which the repair shop can use its own value of the displayed hour workmanship.
- (4)** Compensation is granted for the amounts paid by the insured person as indemnification and court costs and / or related costs in the case of alternative dispute settlement of injured persons by personal injury or death and damage or destruction of property.

(5) In the case of personal or health injury, or death, the compensation shall be granted both for persons outside the vehicle which caused the accident, as well as for the persons in that vehicle, with the exception of the driver responsible for the accident.

(6) In the case of personal or health injury or death of persons other than the driver responsible for the accident, compensation shall also be paid for the damage produced to the spouse or dependants of the vehicle's owner or driver.

(7) In the event of injury of the body or to the health or death of a person or damage or destruction of property, compensation shall be granted if the vehicle which caused the accident is identified and insured, even if the author of the accident remains unidentified.

(8) Where goods are damaged or destroyed, compensation shall be granted for goods outside the vehicle which caused the accident, and for the goods in that vehicle, only if they were not transported on the basis of a contractual relationship existing with the owner or user of the vehicle concerned, and if they did not belong to the vehicle's owner, user or driver responsible for the accident.

(9) The compensation, as referred to in Paras. (1) - (6) and (8), shall also be granted where the driver, responsible for the accident, is a person other than the insured person.

(10) Compensation shall also be paid where the injured parties do not have their domicile or residence, or registered office, in Romania.

CHAPTER V: Obligations of the insured person

Art. 15: Notification of the RCA insurer where an insured event occurs

(1) As a result of a vehicle accident, the insured person shall notify the RCA insurer thereof within 5 working days after the accident.

(2) The insured person shall provide the RCA insurer with information regarding the causes and circumstances of the accident, and the documents required to settle the case.

(3) The insured person shall notify the RCA insurer within the deadline referred to in Para (1) of the fact that:

a) the injured party claimed compensation from him;

b) criminal or administrative proceedings were initiated against him in connection with the event; the insured person shall immediately inform the RCA insurer of the evolution of these proceedings and of their outcome;

c) the injured party exercised his right to be compensated by filing an application to a court of law or another authority, in the event that the policyholder learns about it;

d) the information contained in the RCA contract has changed during the contract.

(4) The provisions referred to in Paras (1) and (3) shall not apply in the event that the insured person proves the impossibility of fulfilling such obligation.

(5) The insured person's failure to fulfil the obligation referred to in Paras (1)-(3) shall not restrict the right of the injured party to be compensated

(6) The failure of the insured person to be present at the insurer's request does not limit the right of the injured party to be compensated.

Art. 16: Informing the injured party

The insured person shall forward to the injured party, at the latter's request, any information necessary for filing the claims for compensation, in particular:

a) the last and first name, and place of residence of the person who drove the insured vehicle at the time of the damage;

- b)** the last and first name, and place of residence or name, office of the policyholder or insured person of the vehicle;
- c)** the name, office of the RCA insurer which issued the RCA contract, series and number of the RCA contract, as well as the registration plate of the insured vehicle or its identification number.

Art. 17: The amicable accident report

(1) For events involving two vehicles causing only damage to property, insurance undertakings may also be informed based on a standard form, issued by insurance undertakings, hereinafter referred to as “amicable accident report”, in which the drivers of vehicles involved in the accident include information concerning the date and place of the accident, the identification data of the drivers involved, of the owners of the vehicles involved and data of the vehicles involved and of their own RCA insurance undertakings, as well as information concerning the circumstances of the accident.

(2) The form, dimensions, contents and procedures on the use of the standard form shall be established by regulations of ASF, in accordance with the provisions of Government Emergency Ordinance no. 195/2002 on the circulation on public roads, republished, as subsequently amended and supplemented.

CHAPTER VI: Rights and obligations of the RCA insurer

Art. 18: Establishing the RCA insurance premium and informing the insured person

(1) The RCA insurer shall establish an insurance premium so as to cover all the obligations arising from the conclusion of the RCA contracts.

(2) The reference rate is calculated on a half-yearly basis by a company with recognized expertise in the field contracted by ASF according to the formula provided in art. 2 point 24 and published by ASF.

(3) In determining the insurance premium rate, the RCA insurers may use risk criteria, loading indices, increase and/or correction coefficients or other rate adjustment instruments set by the ASF regulations.

(4) The administrative and sales costs of the insurance policy, included in the premium rate, may not exceed 25% cumulatively of the resulting rate.

(5) In determining the amount of the insurance premium, the RCA insurer may take into account the history of claims paid over the last 5 years for accidents with the insured vehicle and the use of telematics technologies.

(6) The application criteria for the bonus/malus system are those set out in ASF regulations. The bonus/malus class may take into account the driver's history. The information regarding driver's history is the one recorded in the database of compulsory insurance against civil liability concluded on the territory of Romania, together with those in the database held by the specialized directorate of the Ministry of Internal Affairs.

(7) The RCA insurer shall present the insured person the actuarial calculation used for determining the insurance premium

(8) RCA insurers and RCA insurance intermediaries are required to inform the insured persons/contractors about the termination of the RCA contract and the possibility to renew it, 30 days before the termination of the RCA contract. The renewal terms of the RCA contract is established by the regulations of ASF, according to art. 43.

(9) The RCA insurer shall provide ASF, at its request, with the following information

- a)** the method of determining the insurance premium;
- b)** the statistical data based on which the insurance premium is determined;
- c)** the actuarial report underlying the determination of the premium rate;
- d)** any other information concerning the method of calculation of the insurance premium.

(10) The RCA insurer shall issue the insured person/user, within 15 days from the registration of their request, a certificate concerning the damage registered, during the last 5 years of their contractual relationships, or the absence of such damage.

(11) The procedure for acknowledging the damage shall be determined by regulations of ASF

(12) The personnel acknowledging the damage shall be authorised by ASF on the basis of proof of their initial certification and continuous validation of professional competences by the Institute for Financial Studies. The procedure for the authorisation and registration of the personnel acknowledging the damages shall be set out in the regulations issued by ASF.

Art. 19: Provisions applicable to high-risk insured persons

(1) A high-risk insured person can address to BAAR for an insurance offer.

(2) BAAR will make a calculated insurance offer based on the reference rate and will assign it a RCA insurer for the conclusion of the RCA contract.

(3) The assignment provided for in paragraph (2) shall be carried out by BAAR.

Art. 20: The claim

(1) The injured party is entitled to file the claim with the RCA insurer or with its own RCA insurer in the case of direct compensation, where the risk covered by the RCA insurance occurs, or with BAAR, where a risk covered by it in accordance with this law occurs.

(2) The injured person has the right, directly or through representatives, to submit the claim for compensation to the RCA insurer or to its own RCA insurer in the case of direct settlement, in the event of the occurrence of a risk covered by the RCA insurance or to BAAR in the event of the occurrence of a risk covered by it under the conditions provided by this law.

(3) Claims for compensation may also be filed electronically.

Art. 21: Settlement of the claim

(1) Not later than 30 days from the date the claim is filed by the insured person or by the injured party, the RCA insurer must:

a) either respond to the requesting party, by preparing a reasoned written offer for compensation, sent with acknowledgement of receipt, if the insured person's liability is proven causing the risks covered by the RCA insurance, and the damage has been quantified;

b) or notify the injured party in writing, with acknowledgement of receipt, of the reasons for which it did not approve, in whole or in part, the claims for compensation;

(2) If, not later than 30 days from the notification of the insured event by the injured party or by the insured person, the RCA insurer has not informed the injured party of the rejection of the claims, as well as of the reasons for rejection, the RCA insurer must pay the compensation.

(3) The opening of the investigation procedure shall be done by the insurer if there are good indications on the occurrence of the event on the basis of an expert's report drawn up by an authorized expert and if he has notified the injured party in writing within 5 working days starting the date of the opening of the claim file and the drawing up of the finding record, of the intention to conduct investigations. If, following the investigations carried out, it was found that the compensation is due to the injured person, the provisions of art. 11 Para. (2) letter d) shall apply. Failure to notify the intention to conduct investigations within 5 days shall extinct this right of the RCA insurer, and the latter shall be liable for payment of compensation. The motivated result of the investigations shall be communicated to the injured party within 3 working days after the completion, but without exceeding the time limit stipulated in paragraph (1).

(4) The compensation shall be paid by the RCA insurer within maximum 10 days from the date of the acceptance of the offer for compensation provided for in art. (1) letter a) or from the date the RCA

insurer received a final court ruling or the entity's agreement for the dispute settlement regarding the amount of compensation that it must pay. The documents underlying the claim shall be determined by regulations issued by ASF.

(5) If the RCA insurer fails to fulfil its obligations within the time limit referred to in Para. (4) or inadequately fulfils them, including if it unduly decreases the compensation, then a penalty of 0.2% shall apply per day of delay calculated to the full amount of compensation due or to the unpaid amount difference. The payment of the penalties is done with the payment of the compensation.

(6) In the cases of personal injuries and moral damage which are the subject of a dispute, the penalties shall be determined by the court.

Art. 22: Determination of the compensation

(1) The compensation shall be determined and paid as provided for in Art. 14. In the event that the compensation is determined by court ruling, the rights of the parties injured by accidents of vehicles owned by persons insured in Romania shall be exercised against the RCA insurer within the limits of its obligation, and the person/persons responsible for the accident must be summoned as forced intervenors.

(2) For any damage to the goods, the compensation shall be determined on the basis of the reference market prices at the date of the occurrence of the insured risk.

(3) The rights of the parties injured by accidents occurring in the territory of Romania by vehicles owned by persons insured under an RCA insurance by insurers seated in States that are under the competence of a national motor insurers' bureau shall be exercised against the RCA insurer through BAAR or by appointed correspondents, as appropriate, provided that the conditions provided for in Art. 24 are met.

(4) In the case of personal or health injury, or death, resulting from a vehicle accident, the compensation shall be determined, whether amicably or in court:

(5) The determination of amicable settlement is based on the following general assessment criteria:

a) the compensation due to injured parties as a result of their personal or health injury shall be established by the joint order of the Ministry of Health and ASF, based on the score communicated by the National Institute of Forensic Medicine "Mina Minovici" of Bucharest;

b) the assessment of the damage shall consider an average estimate of the suffering endured by the injured parties;

c) the value of a traumatic point is equal to twice the minimum gross basic salary per country guaranteed at the time of the accident

d) the compensation can be adjusted depending on the particularities of each individual case, on the basis of evidence;

e) the score for the suffering caused by personal or health injury of the persons includes only the damage related to physical pain; for damage related to psychological trauma, the injured person can bring documents as evidence.

(6) The determination of the compensation by court is based on medical, forensic, psychological and statistical evidence.

(7) The extent of the insured person's tort liability shall not exceed the extent of the contractual liability of the RCA insurer, up to the limits of liability laid down in the RCA insurance

Art. 23: Payment of compensation

(1) The compensation shall be paid by the RCA insurer to the injured natural or legal persons, in the account specified by the injured person or his representative, under the law.

(2) The compensation cannot be claimed by the RCA insured person's creditors

(3) The compensation shall be paid to the insured persons if they prove they had compensated the injured persons and the compensation shall not be recovered as provided for in Art. 25.

(4) Where the voluntary insurer subrogated the injured party in his rights, any difference in compensation between the voluntary insurance contract and the RCA contract shall remain on the account of the voluntary insurance contract and cannot be recovered from the insured person, if the compensation paid from the voluntary contract does not exceed the maximum limit of the compensation which can be awarded by the RCA insurer for the damage caused in the same vehicle accident under the legislation in force.

(5) In the event that the parties do not agree on the amount of compensation, the undisputed amount shall be paid by the RCA insurer before the dispute is settled by negotiations, through alternative dispute resolution, or by court.

(6) Where the compensation is determined by alternative dispute resolution or by court ruling, the RCA insurer shall grant compensation under the agreement resulting from the alternative dispute resolution or on the basis of the final court ruling.

Art. 24: The claims representative

(1) RCA insurers are required to appoint in each State belonging to the European Union or part to the European Economic Area and the Swiss Confederation a representative responsible for handling and settling claims caused by vehicles subject to the obligation to conclude insurance in Romania to residents of those States, on a condition that the accident occurs in the territory of a State other than the State of residence of the injured party.

(2) The claims representative shall be empowered to investigate the claims in the name and on behalf of the RCA insurer and to represent the RCA insurer. To this end, the claims representative shall prepare the loss file and take all necessary measures for the settlement of claims of the injured party, for the damage caused as a result of a vehicle accident:

a) for which the RCA compulsory insurance was issued by an RCA insurer or by its subsidiary in a Member State other than the State in which the injured party resides or is seated;

b) based in a Member State other than the State in which the injured party resides or is seated; and

c) for the damage occurred in a Member State other than that in which the injured party resides or is seated.

(3) The claims representative may act on behalf of several RCA insurers.

(4) The claims representative must be mandated to represent the RCA insurer with full powers, including the right of disposal before the injured party, be given the necessary competence to meet the justified claims for compensation of the injured party and be able to examine the case in the official language of the Member State in which the injured person resides or is seated.

(5) The appointment of a claims representative shall not preclude the right of the injured party to institute proceedings directly against the person who caused the damage or his RCA insurer, as appropriate.

(6) The RCA insurer shall inform BAAR of the last and first name, date of birth and address or place of business of the claims representative point where it is represented by a natural person, or of the name and office, where it is represented by a legal person, as well as of all changes in respect to representative, within 7 days of the appointment or change.

Art. 25: The RCA insurer's right to claim reimbursement of the sums paid

The RCA insurer shall recover the sums paid as compensation from the person responsible for the damage, where it is found that:

a) the accident was caused deliberately;

b) the accident occurred in the commission of facts punishable under the criminal law on road traffic as criminal offences committed with intent, even if these they were not committed on such roads or while committing other criminal offences with intent;

- c) the accident occurred while the person who had committed the criminal offence was attempting to escape from the forces of law and order;
- d) the person responsible for the damage was driving the vehicle without the permission of the policyholder;
- e) the insured unreasonably refused to fulfil its obligations thereby preventing the RCA insurer to conduct its own investigation as provided for in Art. 21(3), and the insurer is able to prove that this fact has led to the undue payment of the compensation.

Art. 26: Direct compensation between RCA insurers

- (1) The direct compensation between RCA insurers is applicable provided that the following conditions are cumulatively met:
- a) the vehicle accidents occur in the territory of Romania;
 - b) the vehicles involved in accidents are registered in Romania;
 - c) the damage was caused exclusively to vehicles;
 - d) both vehicles involved in the accident have an RCA insurance valid at the time of the event;
 - e) the damage excludes personal injuries.
- (2) The direct compensation service is mandatory offered by the insurer, but its purchase is optional to the insured.
- (3) The direct compensation procedure shall be determined by ASF regulations.
- (4) Direct compensation shall not harm the right of the person injured as a result of a car accident caused by an RCA insured vehicle to institute proceedings for the recovery of the loss directly against the RCA insurer of the person responsible for the car accident.

CHAPTER VII: Verification of the RCA insurance

Art. 27: Special verification conditions of the vehicles registered in Romania

The proof of the RCA contract shall be mandatorily submitted as provided by this law at the time of registration of the vehicle for registration purposes, when modifications are made to the registration certificate or identity card of the vehicle or at the time of the periodic technical inspections.

Art. 28: Verification of the registered vehicles

- (1) The documents of the compulsory insurance against civil liability in respect of the use of motor vehicles normally based in the territory of Member States, of those which are under the competence of national bureaux signatories of the Multilateral Agreement, and of those which are normally based in the territory of third States, if they enter the Romanian territory from the territory of another Member State shall not be subject to control procedure.
- (2) By way of exception from the provisions of Para (1), controls are permitted if they are non-systematic, non-discriminatory and not aimed exclusively at RCA insurance verification.
- (3) For the vehicles that are not in the situation referred to in Para (1), the documents proving the existence of the RCA insurance valid in Romania must be verified at the State border checkpoints by the border police.
- (4) The persons who are not in any of the situations referred to in Art. 29 or the persons who cannot prove the existence of a valid RCA insurance when checked must conclude the frontier insurance as provided for in Art. 30.

Art. 29: Vehicles registered abroad

The persons entering the territory of Romania with vehicles registered outside the territory of Romania shall be presumed insured, under this law, if:

- a)** the national motor insurers' bureau competent in the State in whose territory the vehicle is normally based is signatory to the Multilateral Agreement;
- b)** they submit international insurance documents for the damage caused by vehicle accidents, valid in Romania.

CHAPTER VIII Frontier insurance

Art. 30: General provisions

(1) The frontier insurance is aimed at risk insurance cover against civil liability in respect of vehicles belonging to a third State entering the territory of Romania without having a valid RCA contract or whose RCA contract expires during their stay in Romania.

(2) The driver of a vehicle belonging to another State, with the exception of that holding a valid Green Card, issued under the authority of a competent national motor insurers' bureau, and with the exception of the driver whose third party liability insurance on the territory of the Member State of residence is guaranteed by the national bureau of that State, shall conclude a frontier insurance contract.

(3) The frontier insurance shall be concluded for a period of 30 days at the date the vehicle enters the territory of Romania or not later than the date of expiry of the international insurance document for the damage caused by vehicle accidents valid in Romania.

(4) For the vehicles normally based in other States than those under the competence of a national motor insurers' bureau, the frontier insurance may be extended by new periods of 30 days.

(5) At the time of conclusion of the frontier insurance, on the basis of an insurance premium, a document called "Frontier Insurance against civil liability for vehicles" shall be issued to the driver of the vehicle in all Member States of the European Union, the European Economic Area and the Swiss Confederation.

Art. 31: Requirements and covered risks

(1) The requirements concerning the form of the certificate of frontier insurance shall be laid down in the BAAR Regulation.

(2) The frontier insurance shall cover the damage suffered as a result of events occurring within the territorial limits of coverage throughout the validity term set out in the certificate of frontier insurance.

(3) The insurers mandated by BAAR shall conclude the frontier insurance in the name and on behalf of BAAR, on contractual bases.

(4) The driver of the vehicle the use of which in the territory of Romania is conditional upon the conclusion of the frontier insurance shall submit the certificate of frontier insurance for the entire period the vehicle travels in the territory of Romania, after the expiry of the international insurance document for the damage caused by vehicle accidents, until the vehicle leaves the territory of Romania.

(5) The drivers of vehicles that do not fulfil their obligation to conclude the frontier insurance shall be punished in accordance with the legal provisions applicable in Romania.

CHAPTER IX: Romanian Motor Insurers' Bureau

Art. 32: Organisation and operation of BAAR

(1) BAAR is established as a professional, independent and autonomous association of all insurance companies, irrespective of the form of organization and the state in which they have their registered office, which, under the law, have the right to practice in Romania the compulsory insurance against civil liability for the damage to third parties caused by vehicle accidents.

(2) BAAR shall have the following powers:

a) of national motor insurers' bureau;

b) of compensation paying body, in accordance with Art. 33;

c) of information centre, in accordance with Art. 34;

d) of compensation body in accordance with Art. 35;

e) ensure the development and management of the records of RCA contracts for the collection, management, processing, quality management and publication of data regarding:

(i) RCA insurance policies

(ii) Claim rate and risk behaviour of owners and users of vehicles related to RCA policies;

f) to draw up and publish statistics on auto insurance at national and international level;

g) to elaborate and publish comparative analyses and studies on the tariffs used by RCA insurers in the Member States and other information considered relevant for RCA insurance;

h) to publish statistics on the evolution of the levels of damages in the cases of injury of the bodily integrity or of the health or for the death;

i) to receive and / or provide the competent authority subordinated to the Ministry of Internal Affairs with the responsibilities of organizing and coordinating the activity of recording and issuing the registration certificates and registration plates, the data related to road accidents, liability insured vehicles for damages caused to third parties by road accidents, under the conditions provided by art. 1 paragraph (2) of the Government Emergency Ordinance no. 189/2005 for the establishment of measures regarding the registered road vehicles, approved with modifications by Law no. 432/2006a

j) to allocate of high risk insured persons, in accordance with the provisions of art. 19;

k) to publish on its own site data on trends regarding tariff fluctuations used by RCA insurers;

l) to collect and to publish the aggregate data and information on the Romanian auto insurance market, including the volume of damages;

m) to publish on its own site the statistical data on the tariffs practiced by the repairing units specialized in the repair of vehicles.

(3) In order to fulfil the duties of national auto office, payment agency and compensation body, BAAR establishes its own structure called the National Protection Fund, through the contribution of all members, in proportion to the volume of gross premiums collected from the sale of RCA contracts. /Green book. The availability of the National Protection Fund, the levels of contributions for BAAR and the database administration fee are established by regulations of A.S.F. at the proposal of BAAR, so that BAAR can at any time fulfil the duties of national auto office, body for payment of damages and compensation body.

(4) For the non-payment of the amounts due to BAAR, interest and delay penalties are due, calculated in accordance with the legal regulations in force, applicable to the collection of budgetary debts. Interest and penalties paid are transferred to the BAAR account.

(5) The document establishing and individualizing the obligation of an insurer to pay the contribution to BAAR constitutes, according to the law, a debt instrument. At the date of maturity, the debt instrument becomes an enforceable title, according to which BAAR initiates the forced debt recovery procedure, according to the provisions of the Civil Procedure Code.

(6) In exercising the attributions provided in par. (2) lit. a) and b), BAAR compensates the injured persons as guarantor of the compensation obligation and, after the payment of the compensation, subrogates in their rights acquiring a right of recourse against the person or persons responsible for repairing the damage, regarding the compensation paid, of the expenses related to the instrumentation

and liquidation of claims for compensation, as well as for the legal interest related to the expenses incurred.

(7) BAAR concludes memoranda / collaborative protocols regarding the exchange of information with the authorities, institutions and companies that contribute to the safety of traffic on public roads. In order to fulfil the attributions provided in par. (2) lit. a) -d) BAAR concludes agreements with the equivalent entities in the other states.

(8) In order to fulfil by A.S.F. of the objectives regarding prudential supervision BAAR provides, at the request of A.S.F. or on its own initiative, aggregate and / or individual data and information regarding RCA insurance.

(9) At the request of the owners of vehicles, BAAR issues within 15 calendar days a certification regarding the civil liability actions of third parties.

(10) The BAAR Board of Directors, the criteria to be fulfilled by the persons proposed for the management positions, the articles of incorporation, their status and modifications, the levels of contributions, contributions to the fund and the database management fee are established by BAAR with ASF's prior opinion.

(11) BAAR's revenue and expenditure budget, both the preliminary one and its execution, are approved by A.S.F.

(12) A.S.F. exercises supervisory powers regarding the BAAR competences provided in par. (2) letter b) - m).

Art. 33: Powers of BAAR as compensation paying body

(1) BAAR shall, as compensation paying body, guarantee, without having the benefit of discussion, compensation to injured parties resident in Member States, injured through accidents occurring in the territory of Romania, or in the territory of a Member State other than their State of residence, by means of vehicles or trams which are normally based in the territory of Romania or in the territory of a State whose national motor insurers' bureau is a signatory to the Multilateral Agreement, not insured under an RCA insurance although, in accordance with the law, the RCA insurance should have been concluded for the same, or through some unidentified vehicles, under the following conditions:

a) if the vehicle or tram was identified but was not insured under an RCA insurance, compensation shall be granted for both damage to property and personal or health injury, or death;

b) if the vehicle or tram remains unidentified, compensation shall be granted only for personal or health injury, or death; if such an accident resulted in the death of a person or such accident caused personal or health injury to a person, and such injury requires medical healing for more than 60 days, then compensation shall also be granted for damage to property subject to an excess of EUR 500 in the RON equivalent at the NBR's exchange rate at the time of the accident; the accident caused by a vehicle that remained unidentified is the accident where the vehicle came into direct collision with the injured party or with the property damaged by it, after which the vehicle left the scene of the accident.

c) in the event of the risk occurring during the period of suspension of the RCA contract, according to art. 6 Para. (6).

(2) BAAR shall intervene as compensation paying body also in the case of accidents caused in the territory of Romania or in the territory of another Member State, by means of a vehicle not insured under RCA insurance, exported from another Member State to Romania, in the event that the accident occurs within 30 days after the date of acceptance of the export.

(3) The persons who, at the time of the accident, have the possibility to recover the losses suffered under a voluntary or compulsory insurance or under the law or those who voluntarily got into the vehicle driven by the person responsible for the accident, if it turns out that they knew that no RCA contract was in force for the vehicle concerned, shall not benefit from compensation.

(4) No entity which has compensated the injured persons in any way whatsoever or offered them services in relation to the damage suffered, including medical services, on the basis of contracts or under the law, has the right to request from BAAR reimbursement of the expenses incurred.

(5) The amount of the damage suffered by those injured by vehicle accidents in Romania as well as those who are eligible for compensation and conditions of intervention of BAAR as the compensation paying body shall be determined in accordance with the provisions of this law and the rules adopted for its application in force in Romania at the time of the accident.

(6) In the case of the claims settled by compensation bodies or guarantee funds of the States of residence of the injured persons or of the States in whose territory the accident was caused, the amount of damage shall be established by these bodies, in compliance with the terms of the agreement concluded with BAAR.

(7) BAAR shall pay no compensation for the damage caused in the same accident that exceeds the limits of liability of the RCA insurer under the law in force at the time of the accident in Romania or the law in force of other States in whose territory the accident was caused, of which the excess provided by law shall be deducted, as appropriate.

Art. 34: Powers of BAAR as information centre

(1) BAAR shall have, as information centre, the following powers

a) to provide, at the request of the injured parties or information centres of other States signatories to the Agreement on the exchange of information between information centres, information concerning:

(i) the name and address of the RCA insurer for the vehicle driven by the person responsible for the accident;

(ii) the name and address of the claims representative of the RCA insurer, issuer of the RCA contract for the vehicle driven by the driver at fault for the accident, in the State of residence of the injured party;

(iii) the number of the RCA contract

(iv) the name and address of the body authorised to receive and settle the claims in the State of residence of the injured party, for the vehicle driven by the driver at fault for the accident or for the case in which the person owning the vehicle concerned is exempt from the obligation of concluding the RCA contract;

b) to provide, at the request of the injured parties having a legitimate interest, the name and address of the owner, regular driver or user of the vehicle driven by the driver at fault for the accident; these information may be requested by the injured party directly or through the information centre of his State of residence; the burden of proof of the existence of the legitimate interest shall lie with the person making the request; such information shall be provided in accordance with the provisions of the legislation concerning the processing of personal data and the free movement of such data.

(2) In order to carry out the duties provided for in Para. (1) letter b), BAAR has the right of access to consult the records of vehicles registered in Romania, administered by the public authorities, under the conditions established by a protocol concluded between ASF, the Driving Licence and Vehicle Registration Directorate from the Ministry of Internal Affairs and BAAR.

(3) The information communicated by the RCA insurer according to art. 24 Para. (6) shall be transmitted to the national information centers in the Member States.

(4) The request referred to in Para. (1) lit. B) can be done by the injured person, directly or through the information center in the state of residence.

(5) Provision of personal data according to Para. (1) letter b) shall be done in compliance with the provisions of Law no. 677/2001 on the protection of individuals with regard to the processing of personal data and the free movement of such data, as subsequently amended and supplemented.

(6) BAAR cannot process personal data to which it has access under paragraph (2) for purposes other than those for which this Law establishes the right of access.

(7) By the protocol provided for in Para. (2) are established the organizational and technical measures to ensure the security of personal data processing, in accordance with the legislation on the protection of personal data, as well as measures necessary to ensure:

a) control of access to systems;

b) user control;

c) access control of data;

d) establishing the profiles of the users in relation to the relevant tasks under this Law;

e) the mechanisms necessary for the exercise of rights by the person concerned;

f) the necessary mechanisms for verifying the lawfulness of the processing;

g) the security of personal data processing.

Art. 35: Powers of BAAR as compensation body

(1) BAAR shall intervene, as compensation body, in the following situations

a) if, within 3 months of the date when the claim for compensation is presented by the person resident in Romania who suffered an injury caused by a vehicle accident in the territory of a State located within the territorial limits for coverage, except for Romania, or in the territory of a third State whose national motor insurers' bureau joined the Green Card system, involving a vehicle normally based in the territory of a Member State of the European Economic Area, except for Romania, the injured party received no compensation or the RCA insurer of the vehicle in question or the claims representative of the RCA insurer in Romania has not provided a reasoned reply;

b) if the RCA insurer has failed to appoint a claims representative in the territory of Romania;

c) if, within two months of the date of the accident, the RCA insurer cannot be identified.

(2) BAAR, as compensation body, cannot stand trial or be a party incurring civil liability by reference to the parties injured in a vehicle accident.

(3) The legal persons that subrogated in the rights of the persons injured in vehicle accidents caused as provided for in Para (1) Letter a) may not file claims for compensation with BAAR.

Art. 36: BAAR's duties regarding the management of RCA insurances applicable to the high-risk insured persons

(1) BAAR shall develop procedures for the management of RCA insurances applicable to the high-risk insured persons, comprising at least the following:

a) elaboration of attributions regarding the management of the RCA insurances applicable to the high-risk insured persons to its own structures;

b) the determination method of the RCA premium rate proposed by BAAR;

c) the determination and publication method of the factor "N" provided in art. 2 point 5;

d) the manner in which an offer is made by BAAR, containing the proposal of the RCA premium rate;

e) aspects related to offering, acceptance of the offer, and assignment of the RCA insurance contract to an RCA insurer.

(2) the procedures provided in paragraph (1) shall be approved by the General Meeting of BAAR and by ASF.

CHAPTER X: Penalties

Art. 37: Minor offences and penalties

(1) Any of the following shall constitute a minor offence:

- a)** the insurer's failure to timely pay the full compensation payable from the RCA compulsory insurance to the injured parties or insured persons, in accordance with this law and the regulations issued in accordance with Art. 43
- b)** the RCA insurers' failure to timely pay the amounts to BAAR, and the percentage contribution of the value of the gross premiums earned corresponding to the RCA compulsory insurance
- c)** the insurance intermediaries' failure to deposit with the RCA insurers the amounts collected as insurance premiums, unless doing so is deemed a crime;
- d)** RCA insurers' failure to comply with the provisions of art. 6(3), art. 11, art. 14, art. 18(1) and (3)-(12), art. 21(1)-(5) and art. 23(1)
- e)** BAAR's failure to comply with the provisions of art. 32 alin. (2) letters b)-m) and art. 32 (3), (8) and (9);
- f)** BAAR's failure to comply with the obligation to request of the approval, according to art. 19 Para. (3), Art. 32 Para. (10) and (11) and art. 36 Para. (2);
- g)** the RCA insurers' failure to conclude RCA contracts with high-risk insured persons, following the assignment by BAAR according to art. 19 para. (2);
- h)** the RCA insurers' and BAARs' failure to comply with provisions of this law and the regulations of the ASF;
- i)** insurers' failure to comply with the interdiction to recover the difference in compensation between the voluntary insurance and the compulsory insurance against civil liability in respect of the use of motor vehicles, as provided for in Art. 23(4).

(2) The perpetration of the minor offences referred to in Para (1) shall be punished, as appropriate, as follows:

- a)** for those of the RCA insurers referred to in Para (1) Letters a), b), d), g), h) and i), by written warning or, by way of derogation from the provisions of art. 8 par. (2) lit. A) of the Government Ordinance no. 2/2001 on the legal regime of contraventions, approved with amendments and completions by Law no. 180/2002, as subsequently amended and supplemented, by fine ranging between RON 50,000 and RON 500,000;
- b)** for those in the management of RCA insurers or for persons holding key positions or other critical positions within it, provided for in Para. (1) letters a), b), d), g), h) and i), by written warning or fine ranging between RON 10,000 and RON 100,000;
- c)** for those of the BAAR's Board of Directors or of persons holding key positions in BAAR, referred to in Para (1) Letters e) and f), by written warning or fine ranging between RON 10,000 and RON 100,000;
- d)** for those of insurance intermediaries, referred to in Para (1) Letter c), by written warning or fine ranging between RON 1,000 and RON 100,000.
- e)** BAAR's deeds provided for in Para. (1) letters e) and f), by written warning or fine ranging between RON 10,000 and RON 100,000.

(3) The determination of the minor offences provided in Para. (1) shall be performed by the persons responsible for supervision and control within the ASF. The application of the minor offences stipulated in Para. (2) and (5) to (7) shall be carried out by ASF by decision, with due respect of the provisions of Art. 8 Para. (3), Art. 39 Para. (10), Art. 40 and Art. 42¹ of Law no. 32/2000, as subsequently amended and supplemented, Art. 163 Para. (12), (16) and (17) and Art. 165 of Law no. 237/2015, as subsequently amended. By way of derogation from Art. 8 Para. (4) of the Government Ordinance no. 2/2001, approved with amendments and completions by Law no. 180/2002, as subsequently amended and supplemented, art. 163 Para. (16) of Law no. 237/2015, as subsequently amended, also applies to natural persons.

(4) Depending on the nature and seriousness of the deed, ASF's Board may impose on RCA insurers the following penalties:

a) to RCA insurers;

b) persons in the management of RCA insurers or persons holding key positions or other critical positions within them;

c) insurance intermediaries.

(5) The penalties applied to the RCA insurers according to para. (4) lit. A) are as follows:

a) the temporary or permanent prohibition on pursuing the insurance business for the RCA compulsory insurance;

b) the withdrawal of the operation authorisation.

(6) The penalties applied to persons in the management of RCA insurers or to persons holding key positions or other critical functions within the latter according to Para. (4) letter b) are as follows:

a) the forfeiture of the right to hold positions subject to ASF's approval for a period between one and 5 years of the communication of the sanctioning decision or another date expressly indicated therein;

b) the withdrawal of the approval granted by ASF

(7) The penalties applied to insurance intermediaries according to par. (4) letter c) are as follows:

a) the temporary or permanent prohibition on pursuing the insurance mediation business;

b) the withdrawal of the authorisation.

(8) The penalties referred to in Paras (5) - (7) may be imposed together with those referred to in Para (2).

(9) The breach by the natural or legal persons of the insurance obligation set out in Art. 3 and the obligations set out in Art. 6 (6) and (7) shall constitute a minor offence and shall be punished by fine ranging between RON 1,000 and RON 2,000 and retention of the vehicle registration certificate until submission of the document proving the conclusion of the insurance. The police officers shall acknowledge it and impose the related sanction.

(10) The document issued by ASF which establishes and individualises the payment obligation of RCA insurers and persons in the management of RCA insurers or persons holding key positions or other critical positions within them, represents a debt claim which at the due date becomes an enforceable title.

(11) If two or more minor offences are found, the fine provided for the most serious offense shall be applied.

(12) ASF shall publish the sanctioning measures referred to in Paras (5) - (6) in the Official Journal of Romania, Part I.

(13) The application of penalties and sanctioning measures shall not remove the material, civil or criminal liability, as appropriate.

(14) The minor offences set out in this article shall be regulated by Government Ordinance No. 2/2001 on the legal regime of minor offences, approved as amended and supplemented by Law No. 180/2002, as subsequently amended, in so far as they are not contrary to this law.

(15) ASF shall immediately communicate to the European Commission the following:

a) the provisions of this article;

b) changes and/or completions to this article.

Art. 38: Offenses

(1) The issue and sale of false or falsified RCA insurance policies constitutes a criminal offense punishable under Law no. 286/2009 on the Criminal Code, as subsequently amended and supplemented.

(2) The use of falsified parts or assemblies by repair shops for the repair of damaged vehicles.

CHAPTER XI: Transitional and final provisions

Art. 39: Transitional provisions

- (1)** The legal acts and deeds concluded and, as appropriate, perpetrated or occurring prior to the entry into force of this law may not give rise to legal effects other than those provided for in the legislation in force at the date when the same are concluded or, as appropriate, perpetrated or occurred.
- (2)** At the time of entry into force of this law, the legal acts which are void, voidable or affected by other causes of ineffectiveness, concluded under Law No. 136/1995 on the insurance and reinsurance business in Romania, as subsequently amended and supplemented, Under Government Emergency Ordinance no. 54/2016 on compulsory insurance against civil liability for the damage of third parties caused by vehicle and tram accidents and rules issued for its application shall be subject to the provisions of the old law, and may not be deemed valid or effective, as appropriate, in accordance with the provisions of this law.
- (3)** This law applies to all RCA insurance contracts/policies issued after the date of entry into force and to all damages that are compensated based on them.
- (4)** Upon the entry into force of this law, BAAR will take over the assets of the Street Victims Protection Fund and shall be reorganized in accordance with the provisions of this law.
- (5)** The National Protection Fund, as BAAR's own structure, shall be established from the Green Card common fund owned and managed by BAAR and 95% of the available funds which shall be taken from the Road Traffic Protection Fund; the 5% difference in such available fund shall be used for operating expenditure of BAAR.
- (6)** The Street Traffic Protection Fund shall be dissolved with effect from the date when all of its assets are taken over by BAAR.

Art. 40: Final provisions

- (1)** The police units, fire units, medical units within the public and private medical system, family doctors and other public authorities competent to investigate vehicle accidents or to evaluate the health of the victims of such an event, as applicable, shall communicate, at the request of the RCA insurers, BAAR and the Insured Persons' Guarantee Fund, no later than 30 days of the request, the information in their possession concerning the causes and circumstances of the risks insured and the injuries or damage caused, for the purpose of determining and paying the compensation due by the RCA insurers and BAAR.
- (2)** The State body with powers of supervision, traffic control and guidance, investigation and settlement of traffic accidents shall inform BAAR within 48 hours of any vehicle accident in the territory of Romania resulting in personal or health injuries, or death, of one or more persons.
- (3)** The Ministry of Internal Affairs shall ensure the interoperability of the database with information on vehicles registered and information relating to fines and other penalties imposed on vehicles' drivers.
- (4)** As a result of the administration and management of the database provided in Art. 32 Para. (2) letter e), the obligations of ASF provided by the Government Emergency Ordinance no. 189/2005, approved with amendments by Law no. 432/2006, are taken over by BAAR.

Art. 41: Applicable laws

This law is supplemented by the provisions of Law no. 287/2009 on the Civil Code, republished, as amended, with those of Government Emergency Ordinance no. 195/2002, republished, as subsequently amended and supplemented, and those of Government Emergency Ordinance no. 189/2005, approved with amendments by Law no. 432/2006.

Art. 42: Notification of rates

ASF may require to insurers to notify the increase in rates in advance or to subject their increase to its prior approval only if a general national price control system is put in place according to European regulations.

Art. 43: Regulations

(1) Within 30 days from the date of entry into force of this Law, ASF shall issue regulations for its application regarding:

- a) elements of the RCA contract, including its renewal and covered risks;
- b) conditions and criteria for the authorization of the insurer to conclude RCA insurances;
- c) the format of the RCA insurance policy;
- d) the way of finding, assessing damages and determining compensation;
- e) payment conditions of compensation;
- f) facilities and penalties applicable to insured persons;
- g) the list of documents necessary for the settlement of the claim;
- h) bonus / malus application criteria;
- i) the level of contributions and payment periods to BAAR, as well as the administration fee for the database;
- j) the way of approval and registration of the personnel making the determination of damages;
- k) RCA insurance applicable to high-risk insured persons;
- l) the direct settlement method;
- m) risk criteria, loading indices, increase and/or correction coefficients or other instruments used to calculate the premium rate;
- n) other elements related to RCA insurance.

(2) Until the issuance by ASF of the regulations according to the provisions of Para. (1), the regulations issued by ASF for the application of Government Emergency Ordinance no. 54/2016 and art. 5¹ of Law no. 32/2000, as subsequently amended and supplemented, shall continue to apply insofar as they do not contravene the provisions of this Law.

Art. 44: Correlation with other normative acts

In the normative acts, the phrase "RCA insurance policy" shall be replaced by "RCA contract" and the phrase "Street Victims Protection Fund" shall be replaced by "Romanian Motor Insurers' Bureau".

Art. 45: Repeals

On the date of entry into force of this Law, the following shall be repealed:

- a) Law no. 136/1995 on insurance and reinsurance in Romania, published in the Official Journal of Romania, Part I, no. 303 of December 30, 1995, as subsequently amended and supplemented;
- b) Government Emergency Ordinance no. 54/2016 on compulsory motor liability insurance for damages caused to third parties by motor vehicle accidents and trams, published in the Official Journal of Romania, Part I, no. 723 of September 19, 2016;
- c) Art. 5¹ and Art. 39 Para. (2) letter j) of Law no. 32/2000 regarding the activity and supervision of intermediaries in insurance and reinsurance, published in the Official Journal of Romania, Part I, no. 148 of April 10, 2000, as subsequently amended and supplemented.

Art. 46: Entry into force

This Law shall enter into force 30 days after its publication in the Official Journal of Romania, Part I.

Art. 47: Establishment / Takeover of an insurance company

The Ministry of Public Finance, within 12 months of the entry into force of this Law, may develop the normative act for establishing/taking over an insurance company with state-owned capital in the field of RCA insurances and other types of insurance.

*

This law transposes the provisions of 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, published in the Official Journal of the European Union L 263 of 7 October 2009, and the provisions of Article 21(2) and 181(3) of Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II)

This law was adopted by the Parliament of Romania, in compliance with the provisions of art. 75 and art. 76 Para. (1) of the Constitution of Romania, as republished.

On behalf of the PRESIDENT OF THE CHAMBER OF DEPUTIES,
PETRU-GABRIEL VLASE

PRESIDENT OF THE SENATE
CĂLIN-CONSTANTIN-ANTON POPESCU-TĂRICEANU