

Green Card Bureau Compendium

CZ – Czech Republic

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General information

Please provide the official full name of your Bureau.

Česká kancelář pojistitelů

What is the legal status (form) of your Bureau (non-profit organisation, association of legal entities, limited liability company, etc.)?

A professional organization of MTPL Insurers founded by the law (Act No. 168/1999 Coll.).

How is the ownership/membership of your Bureau structured (e.g. owned/controlled by all members equally, part of state government, etc.)?

Owned/controlled by all members equally.

Question N° 1

1.1. What was the date of the original Law, which introduced Compulsory Third Party Motor Insurance and what was the date of its entry into force?

The fundamental legal provisions which introduced Compulsory Third Party Motor Insurance were originally brought by Order of Government No. 54/1953 Coll. which was issued on 7 April 1953 coming into effect as from 1 July 1953. The Order of Government No. 54/1953 Coll. became invalid and was replaced by the Act No. 12/1997 Coll. which came into effect as from the 21st February 1997. Civil Code No. 40/1964 Coll. (came into effect as from the 1st April 1964 ceased to have effect on 1st January 2014 – applicable on claims arising out of the accidents occurred until 31st December 2013 including), “New” Civil Code No. 89/2012 Coll. (came into effect as from the 1st January 2014- applicable on claims arising out of the accidents occurred on and after 1st January 2014). Ordinance No. 492/1991 Coll. which was issued by the Czech Ministry of Finance on 14 November 1991 and came into effect as from 1 January 1992. The Ordinance No. 492/1991 Coll. has been replaced by the Act No. 168/1999 Coll. which was issued on 30 July 1999.

1.2. What is the date of the present Law and of its entry into force?

The act No. 168/1999 Coll. which was issued on 30 July 1999 entered into force on the day of the promulgation with the exception of the provisions in § 1 (2), § 15 (1), (7), (8) and (9), § 16, 17 and the second, the third, the fourth and the fifth part, entering into force on 1 January 2000, as amended by the Act No 307/1999 Coll.

Question N° 2

2. Which are the classes of motor vehicles for which insurance is compulsory?

A road vehicle being a motorcycle, a three-wheel or a four-wheel vehicle, a personal automobile, a bus, a truck, a trolleybus, a special automobile, a towing vehicle, a trailer, a tractor, a self-propelled working machine, an attachable working machine, a single axle tractor with a trailer. A wheelchair, motor less vehicles drawn or pushed either by pedestrian or animals, a bicycle and scooter are not considered to be a vehicle if they are not approved as a class of motorcycle.

Question N° 3

3. Is the Law applicable to foreign visitors?

Yes.

Question N° 4

4. Does the Law apply in respect of liability for both personal injury and damage to property?

Yes.

Question N° 5

5. What is the minimum limit of cover required for personal injury damage? State the minimum value of sum insured, date with effect from and please indicate whether the limit is per accident or per victim.

Type of vehicle	Personal injuries		Material damage (cover may be limited to an amount of no less than)		Miscellanea
	Per victim	Per accident	Per victim	Per accident	Effect from
All	CZK 18 million		CZK 5 million		1/1/2000 to 30/4/2004
All	CZK 35 million		CZK 18 million		1/5/2004 to 31/5/2008
All	CZK 35 million		CZK 35 million		1/6/2008

Comment :* irrespective of the number of damaged parties [valid only if the sum total of the claims by more damaged parties exceeds the limit of insurance compensation included in the insurance contract, the insurance compensation to each of them shall be reduced in proportion of this limit to the sum total of the claims by all damaged parties.]

Transitional period: The lower minimum limits in the insurance policies concluded before the 1/06/2008 will be increased automatically to updated level on 1/06/2012.

Question N° 6

6.1. Does the Law require cover in respect of passengers carried in the vehicle?

Generally all passengers carried in an involved vehicle are covered by law against both the damage to property and injury including the owner of the involved vehicle if he/she has sustained damage to his or her health or death as a passenger in his or her own vehicle, but in this case only personal injury damage, death, the costs of Public Health Insurance and a recourse claim of Social Insurer is covered.

6.2. Is there any category of passenger excluded from this cover?

- The driver of the vehicle which caused the damage
- Spouse and/or members of the Insured's household in respect of damage to property and/or damage which causes a claim for loss of profit.
- The owner of a vehicle which caused the accident as far as damage to the vehicle is concerned.

Question N° 7

7. Under what conditions is an insurer permitted by Law to reject a third party claim? Please specify.

The Insurer is permitted to reject a Third Party claim if the claim can be reimbursed by the Guarantee Fund (See 12.2 hereunder).

Question N° 8

8. Is there a direct right of action by a third party against an insurer?

Yes.

Question N° 9

9. Does a claimant resident in a foreign country have a direct right of action against the local Bureau or the insurer representing the Bureau?

A claimant resident in a foreign country has a direct right of action against the Insurer or if it is a claim for compensation from the Guarantee Fund against the local Bureau.

Question N° 10

10.1. Does the Law require the insurer and/or Bureau to make an offer of compensation to a claimant within a specified time?

Yes.

If yes, what is the nature of the damages to which the time-limit applies?

All types.

10.2. What is the specific time-limit?

3 months following a day of lying claim for compensation.

10.3. Which are the other provisions of the Law in this respect? (e.g. sanctions)

If the insurer failed to meet the obligation (see the point 10.3), the interest for delay shall be based on the amount of the discount rate of the Czech National Bank in effect on the first day of delay, increased by 4 % p.a. Interest for delay shall always be updated at the beginning of each month of delay as one twelfth of the annual interest rate for delay, whereby the annual interest rate for delay shall be updated every month according to the discount rate of the Czech National Bank in effect on the first day of the given month of delay. The interest for delay derived from the discount rate shall apply unless a higher amount is specified in the insurance contract.

10.4. Are there any similar stipulations for provisional payments?

No.

Question N° 11

11.1. Is there a limitation period for legal proceedings against the insured or the insurer?

Yes.

If yes, please specify.

The period of limitation shall be 3 years and shall run from the day on which the right could first have been started. With regards to rights to performance arising out of insurance, the period of limitation commences one year after the insured event took place.

11.2. Are there any provisions in the Law which allow for the suspension or extension of that limitation period?

Yes.

If yes, please specify.

For claims arising out of the accidents occurred until 31st December 2013 (including):

The limitation period is interrupted in case of a Court proceeding. The limitation period is extended up to 10 years by a valid Court decision or by written acceptance of the claim (in respect of its legal basis and its amount) by the Insurer and/or the Bureau.

For claims arising out of the accidents occurred on or after the 1st January 2014:

In case of extra-judicial dealings between the creditor and debtor on settlement of the claim, which is the subject of their contractual/legal relation, the limitation period starts to run after the debtor rejected to continue in these dealings; if the limitation period had started to run earlier, during the extra-judicial dealings it does not run.

This also applies to the relations between the victim and MTPL Insurer/Bureau (Guarantee Fund), i.e. the limitation period does not run from the date of the presentation of a claim until the date of its rejection by the MTPL Insurer/Bureau (Guarantee Fund).

When obligatory for the victim to have a legitimate/legal representative or guardian (e.g. persons with serious injury), the limitation period starts to run from the date when this representative was determined.

Question N° 12

12.1. Is your Bureau a VAT liable entity?

Yes.

12.2. If yes, please indicate the VAT number:

CZ699002538

In this case is the service of claims handling by the Bureau VAT exempted?

Yes.

12.3. Is an MTPL insurer in your market a VAT liable entity?

Yes.

If yes, is the service of claims handling by an MTPL insurer VAT exempted?

Yes (but only if these claims are connected with the policies of this insurer). If the claim is handled by the "Insurer A" as a paid service for "Insurer B" then this service is VAT liable

12.4. Is a specialised claims handling office a VAT liable entity?

Yes.

If yes, is the service of claims handling by this entity VAT exempted?

No.

Question N° 13

[Note: Questions addressed to non-EEA Bureaux only. For EEA Bureaux, see Section 2 & 3]

13.1. Is there a Guarantee Fund in your Country?

N/A.

If yes, what are the conditions and limits of intervention of the Guarantee Fund?

N/A.

13.2. Are these conditions and limits applicable to non-residents whether they are the cause of, or victims of, accidents?

N/A.

Question N° 14 – For countries concerned by Section III of the Internal Regulations

14.1. Are there natural or legal persons (public or private) exempted from the obligation of compulsory MTPL insurance in your country? (Article 12.2 of the Internal Regulations)

Yes.

If yes, please list the persons exempt from compulsory MTPL insurance:

Integrated Rescue System unit (the vehicle with the right to priority way not used for business and included into the district fire alarm plan)

Police of the Czech Republic

Security Information Service

The General Inspection of Security Forces

Ministry of Defence (for vehicles operated by the Military Intelligence)

Ministry of Interior (for vehicles operated by the Bureau for Foreign Relations and Information)

Ministry of Finance (for vehicles operated by the customs authorities)

Municipalities (for vehicles operated by the Municipality Voluntary Fire Brigades)

In this case please also indicate the authorities or bodies responsible for compensation:

Ministry of Finance (for accidents occurred in the Czech Republic) or Czech Insurers Bureau (for accidents occurred outside the Czech Republic)

14.2. Are there certain types of vehicles or certain vehicles bearing a special plate exempted from the obligation of compulsory MTPL insurance in your country? (Article 12.3. of the Internal Regulations)

Yes.

If yes, please list those vehicles:

- A vehicle of the Integrated Rescue System unit as well as its truck - the vehicle with the right to priority way not used for business and included into district fire alarm plan.
- Vehicles of the special forces of Government of the Czech Republic as well as those of the Ministry of Defence, of the Ministry of Interior and of the Police.
- Vehicles of the Municipality Voluntary Fire Brigades.

Question N° 15

15.1. Any other special features?

To all the insurance events that occurred before 1 January 2000 and claims arising from them, the current legal provisions shall be applied.