

Green Card Bureau Compendium

MD - Moldova

The information in this compendium is provided by the Green Card Bureau of the country concerned and serves an information purpose only. It is not intended to be comprehensive or complete, nor can it be guaranteed to be accurate or up to date. The Council of Bureaux nor the Green Card Bureau concerned accepts any responsibility or liability whatsoever in relation to the information provided in this document.

General information

Please provide the official full name of your Bureau.

The National Bureau of Motor Insurers of Moldova (NBMIM).

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

The NBMIM is a professional non-commercial association, set up on the base of community of interests and compulsory membership of the motor third party liability insurers. The National Bureau is registered as legal person in the National Register of non-commercial organisations hold by the Ministry of Justice and performs its activity on the base of its own Statute, the Law on MTPL, Internal Regulations of the Council of Bureaux and Normative Acts issued by the Insurance Supervisory Authority (National Commission for Financial Market of Republic of Moldova).

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

The membership of the National Bureau is obtained by the insurer since it is licensed to provide internal compulsory motor third party liability insurance or internal and external compulsory motor third party liability insurance.

Each insurer holding the National Bureau membership has the right for deliberative vote in the General Meeting of the NBMIM's Members. Although, the Bureau's strategic agenda is set up not equally by all members. Only the members issuing Green are empowered to decide concerning the most important issues - *questions related to the Green Card market, approving and amending the Statute, approving the annual revenue and expenditure of the Bureau, the annual report and balance sheet of the Bureau, naming the members of the Administration Board and the Executive Director*, according to the Bureau's Statute.

However, the activity of the Bureau is subject to supervision by the National Commission for Financial Market – State Insurance Supervisory Authority, in accordance with the Law on MTPL.

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 Government's Decision No.956 of 28.12.1994, entry into force 03.01.1995.

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

The present Law on MTPL No.414-XVI is dated on 22.12.2006, and entered into force on 09.09.2007, being amended afterwards for several times.

Taking into consideration the last amendments, the present Law on MTPL was approved in a new redaction which took effect at 05.02.2016.

Question N° 2

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

All classes of motor mechanical vehicles registered in the territory of the Republic of Moldova.

Art.4 par.1 of the Law on MTPL: Physical and juridical persons owning motor vehicles liable to registration in the territory of the Republic of Moldova must be insured against third party liability sequencing from damage caused as a result of a road accident occurred in the territorial limits covered by insurance.

All motor vehicles, except those belonging to the Ministry of Defence, Border Police, the Security and Intelligence Service of the Republic of Moldova and those registered by local government authorities, are subject to state registration (Annex No. 2 to Government's Decision No.1047 of 8 November 1999, *RULES of vehicles registration*).

A Motor vehicle is defined by the Law on MTPL (Art.2) being a self-propelled land-based mechanical vehicle excluding railway ones, that is used for shipping passengers, luggage and cargo as well as for doing other work and services related with transportation, i.e. cars, busses, mini-busses, trolley busses, lorries (inclusive special-purpose ones), motor cycles, tractors.

Trailers, semi-trailers and similar vehicles, other self-propelled vehicles both town or non-town, both, admitted for use in compliance with the valid legislation or registered abroad by competent authorities, shall be an integral part of the category of motor vehicles.

Question N° 3

3. Is the Law applicable to foreign visitors?

Yes.

Art.4 par.2 of the Law provides:

Persons that enter on the territory of the Republic of Moldova driving motor vehicles registered abroad shall be considered insured if:

- a) Are insured in conformity with this Law – meaning they have concluded an internal MTPL policy;
- b) Possess international insurance documents valid on the territory of the Republic of Moldova – a Green Card for example.

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.

Based on Art.14 par.2 of the Law on MTPL, the liability limits of the Insurer are established as follows:

Type of vehicle	Personal injuries		Material damage	
	Per accident	Per victim	Per accident	Per victim
All	5 000 000 MDL	1 000 000 MDL	1 000 000 MDL	1 000 000 MDL
Date of effect: 05/02/2016				

Question N° 6

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

Yes.

In case of bodily injuries or death, the insurance indemnity shall be paid to persons both inside and outside the vehicle causing the road accident.

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

No.

Question N° 7

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

According to the legal provisions (Art.16 of the Law), the Insurer is permitted to reject the third party claim and shall not indemnify:

- a) The part of damage that exceeds insurance liability limits specified in article 14, paragraph.(2) on the date of road accident occurrence, independent on the number of sufferers and the number of people guilty in causing damage;
- b) Damage caused at the working place by devices or installations assembled in the motor vehicle and used as a working equipment or device;
- c) Damage caused by accidents occurred during loading and unloading, these accidents constituting risks of professional performance;
- d) Damage resulting from shipping dangerous substances (radioactive, inflammable, explosive) provided the risks of their transportation are liable to compulsory insurance; causing or exacerbating serious damage if the risk of transporting such products is subject to compulsory insurance;
- e) Damage related with environment contamination as a result of an accident;
- f) Damages caused by loss or destruction of securities, money, precious stones, items with precious metals and stones, items of art and other intellectual property;
- g) Property cost decrease after repair;
- h) Damage caused when using the motor vehicle in sport competitions organized in arranged relevant places;
- i) Damage caused under situations when Insurer's liability either has not yet commenced or has already terminated;
- j) Damage caused to property of physical or juridical persons that concluded the contract of motor third party liability insurance provided it has been made by the motor vehicle owned by them;
- k) Amounts that the vehicle user guilty in causing damage shall pay to the vehicle owner, that allowed to use his motor vehicle by proxy, for damage or loss of the motor vehicle;
- l) Amounts of money to be paid for compensating moral damage caused by the road accident.

Although, the sufferer has the right to initiate a judicial action against the person guilty in occurrence of the insured event in order to compensate damage excluded from motor third party liability insurance.

Question N° 8

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

Yes.

For example, if the Insurer refuses in covering the damage compensation, the third party shall have the right to disputing the Insurer's decision in the court.

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?

Yes.

The right of a judicial action is valid for residents of the foreign countries as well as for Moldovan citizens.

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?

To all types of damages.

10.2. What is the specific time-limit?

The Insurer shall make a decision in respect of the claim application and pay insurance indemnity within the term not exceeding 3 months since the date of submitting the claim application.

More specific legal provisions:

The Insurer shall close the claim file on the material damage within no more than 15 calendar days since the date of submitting by the sufferer the document necessary to finalise the claim file.

The Insurer shall close the claim file on bodily injury or death within no more than 10 calendar days since the date of submitting by the sufferer from the last document confirming damage.

The Insurer shall make payment of insurance indemnity during 10 calendar days since the date of closing the claim file.

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

There are no other provisions of the Law on MTPL in this respect.

However, the Law No.407 as of 21.12.2006 on Insurance, Art.6 par.6 stipulates: If the terms of payment of the insurance indemnity or insurance compensation are not observed by the Insurer by its fault, this will pay to the insured party, to the beneficiary of insurance and/or to the injured party, a penalty 0.1% of the amount of indemnity or compensation for each day of delay

Anyway, the Insurer's failure to comply to legal norms concerning the time-limit of handling and paying the insurance compensation/indemnity can be claimed at the Insurance Supervisory Authority which can decide to apply to the insurer one/some legal sanctions regulated in the same Law on Insurance, such as warning notice or/and pecuniary sanctions as a result of an inside control/inspection.

10.4. Are there any similar stipulations for provisional payments?

COUNCIL OF BUREAUX

Yes.

When the sufferer does not agree with the Insurer's decision on the amount of indemnity, the Insurer still shall pay it in the established amount and the sufferer shall have the right to disputing the Insurer's decision in the court.

Question N° 11

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

Yes.

If yes, please specify.

According to the Civil Code of Republic of Moldova, the limitation period (prescription term) for initiating a legal action in the court, including the insurance sector, is 3 years from the date when the person learned or should have known about the infringement. The prescription term is 3 years for the person who has subrogated to the rights of the injured party and it begins from the date on which the injured person was compensated.

Although, the Insurer can pay the compensation amount after the running of the limitation period, but it cannot be obliged to act so.

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.

The suspension or reinstatement within the legal term for initiating a judicial action can be ascertained or decided only by the court, in the specific circumstances stipulated by the Civil Code of Republic of Moldova.

The prescription term shall be suspended if:

- a) The initiating of the legal action is impossible for reasons of major force;
- b) The obligations performance is postponed (moratorium);
- c) The creditor or debtor belongs among the armed forces put on a war;
- d) The creditor has no/limited legal capacity and has no legal representative, unless the creditor has legal procedural capacity;
- e) The Normative act governing the legal relationship in dispute was suspended;
- f) The activity of the judicial authorities, to which competence refers the dispute between the parties, is suspended;
- g) A mediation process is carried out under the Law on Mediation.

The course of the prescription term shall be suspended only if the reasons for suspension occurred or continued in the last 6 months of the limitation term and if this period is 6 months or shorter, within him.

The prescription term shall be interrupted:

- a) in case of instituting the legal proceedings;
- b) if the debtor commits actions from which results that he recognizes the debt.

The limitation period begins to run for a new term. Time elapsed until the interruption of the prescription term is not included in the new term of limitation.

The reinstatement within the limitation period can be applied in exceptional cases, if the court finds that the prescription term was not respected due to circumstances related to the plaintiff's person. In this case, the violated right of the person must be protected. The reinstatement in the limitation period cannot be ordered unless the party has exercised the action right before the end of a period of 30 days calculated from the day he knew or should have known the cessation of the reasons for overcoming the prescription term.

Question N° 12

12.1. Is your Bureau a VAT liable entity?

No. According to the national legislation, the Bureau is VAT exempted.

12.2. If yes, please indicate the VAT number:

N/A.

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

The service of claims handling by the Bureau is also VAT exempted.

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

No.

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

N/A.

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

No.

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

N/A.

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?

Yes.

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

One of the main functions of the National Bureau of Motor Insurers is the management and use of means from the Fund of Road Victims Protection and the Compensation Fund set up in conformity with the present Law on MTPL.

The Fund for Car accident Victims Protection is set up for protecting people that suffered as a result of car accidents caused by motor vehicles the owners of which either have failed to conclude contracts of compulsory motor third party liability insurance or have not been identified and/or acquired illegally.

The Fund for Car accident Victims Protection exercises payment of compensations for bodily injury or death when the motor vehicle or the person guilty in the car accident remained non-identified as well as in cases of damage or loss of property and bodily injury or death if the owner of the motor vehicle that caused the car accident has failed to make the contract of compulsory motor third party liability insurance or the motor vehicle has been acquired illegally.

This Fund is assimilated to a Guarantee fund for the protection of the third parties injured by accidents occurred on the territory of the Republic of Moldova involving vehicles whose drivers did not conclude an internal MTPL, according to the Law in force.

The Compensation Fund is managed and used in strict conformity with the Internal Regulations of the Council of Bureaux and it is established to guarantee:

- a) Repayment to foreign National Bureaux amounts of money paid by them as compensation of damage caused to holders of Green Card insurance policies.
- b) Compensation of damage caused by false, prohibited or modified Green Card insurance policies;
- c) Paying to the sufferers the amount of money in order to compensate damage caused to them in the Republic of Moldova by owners of Green Card insurance policies issued by foreign insurance enterprises.

Both Funds stipulate compensations within the limits mentioned in Question 5.

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

Yes.

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)

No.

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

N/A.

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

N/A.

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)

No.

If yes, please list those vehicles:

N/A.

Question N° 15

15.1. Any other special features?

No.