



**TERMS AND CONDITIONS
FOR
COMPULSORY MOTOR THIRD PARTY LIABILITY INSURANCE**

Introductory Provisions

Article 1

- (1) Particular expressions in the Terms and Conditions hereof shall have the following meanings:
- 1) **„MTPL Insurance“** – Compulsory insurance of owner of a motor vehicle against liability for damage inflicted upon third parties by using the motor vehicle, occurred due to death, bodily injury, impairment of health, damage to or destruction of objects;
 - 2) **"Insurer"** – Shareholding insurance company with whom MTPL Insurance Contract has been concluded;
 - 3) **"Policyholder"** – Person who has concluded the MTPL Insurance Contract with the Insurer;
 - 4) **"Insured"** – Person whose liability is covered by insurance. Under the Terms and Conditions hereof, the Insured shall be the owner of a motor vehicle whose liability for damage inflicted upon third parties by using a motor vehicle is covered in line with the Law and the Terms and Conditions hereof;
 - 5) **" Owner of a Motor Vehicle"** – owner and/or user of a motor vehicle and/or another person to whom the motor vehicle is registered pursuant to the regulations;
 - 6) **"Motor Vehicle"** – Under the Terms and Conditions hereof, motor vehicle has been defined in line with the Road Traffic Safety Act and shall be understood to mean a vehicle propelled by the power of own engine and intended and made usable, according to its construction, devices, composition and equipment, for the transportation of persons and/or objects, for performing works and/or drawing auxiliary vehicles, other than rolling stock;
 - 7) **"Policy"** – document on concluded insurance contract;
 - 8) **"Insurance Premium"** – amount which the Policyholder shall pay for coverage under the insurance contract hereof;
 - 9) **"Law"** – Law on Traffic Compulsory Insurance („Official Gazette of the RS", No. 51/2009 dated 14.07.2009).

Subject Matter of Insurance

Article 2

- (1) Under the Terms and Conditions hereof, the insurance subject-matter shall be liability of the owner of a motor vehicle for damage inflicted upon third parties by using the motor vehicle, occurred due to death, bodily injury, impairment of health, damage to or destruction of objects, regardless of who operates the motor vehicle, and pursuant to the Law and the Terms and Conditions hereof.
- (2) Under the Terms and Conditions hereof, the liability of the owner of a motor vehicle referred to under the paragraph (1) above shall be understood to include the liability of the owner of a motor vehicle towing the

auxiliary or broken down vehicle for damage referred to under the paragraph (1) above caused by the towed auxiliary or broken down vehicle while connected to the towing motor vehicle and after detaching therefrom and acting in functional dependence therewith, regardless of who operates the motor vehicle towing the auxiliary or broken down vehicle. If the damage referred to under the paragraph (1) above was caused by the auxiliary vehicle acting independently i.e. which is not functionally dependent upon the towing vehicle, such damage shall be regulated under the contract on TPL Insurance of Auxiliary Vehicle Owners.

- (3) The damage referred to under the paragraph (1) of the present Article shall also be understood to include damage inflicted upon third parties by objects falling from the motor vehicle.
- (4) The damage referred to under the paragraph (1) of the present Article shall not be understood to include damage to objects received for transportation unless such objects were intended for the personal usage of the vehicle passengers.

Sum Insured

Article 3

- (1) The Sum Insured shall be the maximum liability of the Insurer per one occurrence, regardless of the number of claimants.
- (2) Multiple time-related occurrences arising from the same cause shall mean one occurrence.
- (3) Minimum amount of the Sum Insured which can be contracted shall be stipulated under the Law and/or regulations of the Government of the Republic of Serbia.
- (4) It is possible to contract the Sum Insured to the amount exceeding the one defined under the paragraph (3) of the Article hereof by stating the contracted Sum Insured in the Insurance Contract (Policy) and paying the additional premium.

Exclusions from Coverage

Article 4

Under the Terms and Conditions hereof, the insurance shall not cover the claims for indemnity originating from:

- 1) owner of a motor vehicle having suffered damage by the use of such vehicle, for damages to objects,
- 2) driver of a motor vehicle having suffered damage by the use of such vehicle,
- 3) persons who have voluntarily entered the motor vehicle by the usage of which they have suffered damage, as long as they had known the vehicle was wrongfully seized,
- 4) persons who have suffered damage due to:
 - a) usage of a motor vehicle during the officially approved automobile, motorcycle and go-kart racings and parts of such racings on closed roads where the aim is to reach maximum speed, and on tests (trainings) for such racings,
 - b) effect of nuclear energy during the transportation of nuclear materials
 - c) military operations, military manoeuvres, rebellions or terrorist actions, if there is causal relation between those effects and incurred damage.



Forfeiture

Article 5

- (1) The Insured shall forfeit their insurance rights if:
- 1) the driver did not use the motor vehicle for the purpose for which it was intended,
 - 2) the driver did not possess a valid driving licence for the appropriate category, except when the vehicle was operated by a driver candidate during the motor vehicle driving course, in conformity with the regulations pertaining to such course,
 - 3) the driver was revoked his driving licence or removed from traffic or he was imposed endorsement of driving licence or forbidden to use a foreign driving licence within the territory of the Republic of Serbia,
 - 4) if, at the moment of accident, the driver was operating the vehicle under the influence of alcohol, drugs and/or forbidden medicines, medicines on which there is a warning against usage before and during the operation of a vehicle and other psychoactive substances.

a) It shall be deemed that the person operating the motor vehicle is under the influence of alcohol if:

- the analysis of adequate blood sample should find the contents of alcohol higher than 0.20 mg/ml or if the presence of alcohol in the body is determined by adequate means and apparatuses for measuring the degree of intoxication (alcoholmeter etc.), which corresponds to the contents of alcohol in blood higher than 0.20 mg/ml.

- it should be found that, during the operation of a motor vehicle, the person was under the influence of alcohol or was showing signs of alcohol-induced derangement, provided the person is:

1. the driver of a motor vehicle registered for the transportation of more than eight persons, not including the driver, i.e. whose biggest allowed mass exceeds 3,500 kg,
2. the driver of a motor vehicle for the public transportation of persons and/or objects,
3. the driver of a vehicle for the transportation of hazardous material and/or extraordinary transportation,
4. the driver of a vehicle of A1, A2, AM and A category,
5. driving instructor, when performing practical driver training
6. driving candidate during the practical training and while undergoing practical part of a driver's test,
7. the driver with a test driving licence,
8. the person supervising the driver with the test driving licence,

9. examiner at the practical part of driver's exam,

10. the driver of a vehicle with a right of passage and the driver of escorted vehicle.

- the alcohol test is positive, and the person fails to determine the exact degree of his intoxication by analysis, except in cases when taking blood would be harmful for his health (e.g.: haemophilia);
- following the traffic accident, the person avoids or refuses to undergo testing of his intoxication and/or consumes alcohol in such a manner as to disable finding of alcohol presence in his blood and/or degree of intoxication at the moment of the accident.

b) The person operating a motor vehicle shall be deemed to be under the influence of drugs and other narcotics if:

1. the test should determine that he is under the influence of drugs,
2. following the accident he should avoid or refuse to undergo testing of his intoxication.

5) if the driver intentionally caused the damage,

6) if the damage occurred because the vehicle was technically defective and the driver was aware of this circumstance,

7) if, following the accident, the driver left the scene without disclosing his personal data and data on the insurance,

(2) Forfeiture under the Terms and Conditions hereof shall not affect the right of the Insured to be indemnified by the Insurer.

(3) By paying the indemnity referred to under the paragraph (2) above, the Insurer shall be entitled to subrogation against the person liable for damage, to the amount of paid indemnity, interest on paid indemnity and costs of proceedings.

Obligations of the Insured

Article 6

(1) The Insured or the person to whom the motor vehicle was entrusted for operation shall, in case of an accident caused by the usage of a motor vehicle, or in which the motor vehicle participated, take all the measures to reduce the consequences, especially the measures stipulated by the relevant regulations.

(2) The Insured and/or the participant in the accident shall be obliged to inform the Insurer of the traffic accident not later than 15 days following the date of the accident.

(3) The Insured shall, according to his capabilities, assist the Insurer in resolving the issues of liability. In that sense, he shall, within the stipulated deadlines, inform the Insurer of the occurrence and submit to the Insurer true and detail data on the course of the traffic accident and the circumstances of its occurrence.

(4) If a claim was filed against the Insured and/or an action for damages brought and/or a property and legal request submitted or proposal presented for the provision of evidence, the Insured shall be obliged to inform the Insurer thereof without any delay and to furnish him with all the writs comprising the specific claim in connection with damage inflicted upon third parties by using a motor vehicle.



- (5) If the claimant should bring an action for damages against the Insured, the Insured shall submit to the Insurer the summons to appear and/or the writ of summons and all documents regarding the occurrence and claim for indemnity.
- (6) The Insured shall not be authorized to give any opinion on the claim for damages, especially to recognize it, in whole or partially, to sign settlement and make any payment without prior consent of the Insurer.
- (7) In the indemnity procedure, the Insured and/or the person having caused the damage shall be obliged to answer the call of and submit a statement to the Insurer, provide all the evidence and data available to them on the circumstances of the insured occurrence, scope and amount of loss.
- (8) Failing to act according to the obligations referred to under the previous paragraph of the Article hereof shall result in the obligation to compensate for damages the Insurer would suffer on that account.

Claim for Indemnity and Right to Bring Action

Article 7

- (1) The Claimant shall exercise the right to claim indemnity under the MTPL insurance by submitting a claim notice directly to an insurance company whose Insured is liable for damage.
- (2) The Claimant may submit a claim for indemnity to the insurance company with whom he had concluded MTPL insurance contract, if such possibility is provided under the mentioned contract pursuant to the company business policy deeds. In case the indemnity had been paid following the claim for indemnity referred to hereunder, the Insurance company who had paid the indemnity shall be entitled to recourse from the insurance company whose Insured is liable for damage.
- (3) If, within 90 days following the date of the claim receipt, the Insurer should fail to submit an indemnity proposal with an explanation and/or notice to the Claimant, informing him of the lack of grounds for indemnity i.e. if the Insurer should fail to pay out petty damage within the period stipulated by Law, the Claimant may bring an action before the court of law and notify the National Bank of Serbia on this matter.
- (4) The National Bank of Serbia shall mediate in the claim settlement in order to prevent arising of a dispute under the MTPL insurance, consider complaints of the Insured, insurance beneficiaries and third party claimants and protect the rights and interests of such parties.

Obligations of the Insurer

Article 8

- (1) When concluding the insurance contract, the Insurer shall be obliged to hand over to the Policyholder the Terms and Conditions hereof which form the integral part of the Insurance Contract (Policy) and the European Accident Report.
- (2) The Insurer shall not have the right to refuse an application for the conclusion of the compulsory MTPL insurance contract if the Policyholder has accepted the Terms and Conditions hereof and premium tariff for the compulsory MTPL insurance.
- (3) In accordance with the concluded insurance contract, the Insurer shall reimburse the Insured if the claim for damages inflicted upon a third party by using a motor vehicle is valid pursuant to the Law and the Terms and Conditions hereof. Namely, he shall:
 - 1) within 14 days following the receipt of a claim, determine the grounds for and amount of such a

- claim, submit to the Claimant the indemnity proposal with an explanation and pay indemnity
- 2) in case the submitted claim is not complete, address the Claimant in writing, within eight days following the date of the claim receipt, and ask for completion of the documentation.
- 3) By way of exception from the item 1) of the paragraph hereof, if, within 14 days following the date of the claim receipt, it is not possible to determine the grounds for and amount of such claim, the Insurer shall determine those within 45 days following the date of receiving such a claim for damage to objects and shall, within 90 days following the date of receiving such a claim for damage to persons, also submit to the Claimant the indemnity proposal with an explanation, and he shall pay indemnity within the further period of 14 days.
- 4) When the proposed amount of indemnity referred to under the items 1) and 3) of the paragraph hereof is lower than the amount claimed by the Claimant, the Insurer shall, by way of advance, propose and make payment of indisputable amount of his liability to the Claimant, within the terms defined under the mentioned paragraphs. Acceptance of indisputable amount of indemnity shall not affect the right to claim disputable amount of indemnity.
- 5) When the Insurer should decide there are no grounds for indemnity, he shall send the Claimant a written notification thereof, followed up by an explanation, within the period of eight days from determining the lack of grounds and in line with the terms for deciding upon a claim, defined under the provisions of the items 1) and 3) of the paragraph hereof.
- 6) In case of damage to persons, the Insurer shall determine the amount of indemnity by application of due criteria for indemnity prescribed by the Government of the Republic of Serbia.
- (4) The Insurer shall be obliged to indemnify petty damages within the period of eight days following the date of the claim receipt. The petty damage shall mean damage for which the claim amounts to less than 500 EUR in Dinar equivalent (1000 EUR from the accession date of the Republic of Serbia to EU) and where the claim is followed up by submitted evidence based on which liability of an insurance company can be established. The Insurer shall be obliged to indemnify within the period defined under the present paragraph, even when he should, during the indemnity procedure, find out that the amount of the claim is such as to be deemed petty, although the claim was not stipulated as a claim for petty damage.
- (5) The Insurer shall be obliged to protect the Insured from the groundless or exaggerated claims.
- (6) The Insurer shall be authorised to make, on behalf of the Insured, all the statements he deems necessary for the protection against groundless or exaggerated claims.

Compensation for Damage Caused by Unauthorized Person

Article 9

- (1) In accordance with the provisions of the Terms and Conditions hereof, the MTPL insurance shall cover damages caused by an unauthorized person using i.e. operating the motor vehicle.
- (2) Upon indemnifying the Claimant, the Insurer shall become entitled to subrogation towards the person liable for damage, to the amount of indemnity paid, interest on indemnity payment and costs of proceedings.



Complaint and Subrogation of Insurance Company

Article 10

- (1) When the Claimant has filed a claim to the Insurer, the Insurer cannot, in response to such a claim and based on law or insurance contract, lodge complaints that he could have lodged against the Insured for non-obeying the Law or Contract.
- (2) Upon payment of indemnity to the Claimant, the Insurer shall become entitled to subrogation against the person liable for damage to the amount of indemnity paid, interest on indemnity payment and costs of proceedings unless the Insurer is liable to indemnify under the Terms and Conditions hereof.

Territorial Scope of Insurance

Article 11

- (1) The insurance coverage shall be provided for damages incurred within the territory of the Republic of Serbia, member states of the European Union, member states of the International Green Card System or the states whose national insurance bureau is a signatory to the Multilateral Agreement, without payment of an additional insurance premium.

Inception and Termination of Insurance Coverage

Article 12

- (1) Insurance contract shall be concluded for the period of one year or less. The inception of insurance coverage (coming into effect of an insurance contract) in accordance with the Terms and Conditions hereof, unless otherwise agreed, shall be upon the expiry of the 24th hour of the day stated in the Policy as the date of insurance inception.
- (2) Insurance coverage and the Insurer's liability under the Terms and Conditions hereof shall be terminated upon the expiry of the 24th hour of the day i.e. the hour and minute stated in the Policy as insurance expiry.

Setting the Premium

Article 13

- (1) The Insurer shall be obliged to set the premium to the amount which is not lower than the amount of the premium from the common minimum premium tariff (Review of the lowest annual amounts of the MTPL insurance premium) of the Serbian Association of Insurance Companies prior to the accession date of Serbia to the EU.
- (2) If no adequate additional premium was paid for the aggravated risk, in line with the Insurer's premium tariff, because the Insured failed to notify the Insurer of the risk aggravation or the Insured had submitted data which do not correspond to the actual risk position, the Insurer shall be entitled to recourse from the Insured to the amount of indemnity paid plus attaching legal default interest following the date of payment and the costs of proceedings pro rata difference between the premium paid and the premium which should have been paid.
- (3) Under the Terms and Conditions hereof, the aggravated risks shall be determined based on the Insurer's premium tariff, according to the data on the Insured, vehicle and bonus/ malus, which are stated on the insurance policy. The aggravated risk shall mean incompatibility of circumstances reported by the Policyholder upon conclusion of an insurance contract with the actual circumstances based on which the Insurer would have calculated higher premium amount had he known the true state of things.

Bonus and Malus

Article 14

- (1) Under the Terms and Conditions hereof, bonus shall mean decrease and malus increase in premium in the following insurance period, to be established based on bonus-malus system criteria, data for the application of that system and the highest bonus stipulated by the National Bank of Serbia.
- (2) Following the expiry of three years upon coming into force of the Law, the Insurer may establish other additional criteria which shall not be contrary to the criteria stipulated by the National Bank of Serbia.

Premium Payment

Article 15

- (1) The insurance premium shall be payable in advance upon the issuance of the policy, unless otherwise agreed.

Premium Return

Article 16

- (1) In case of destruction or cancellation of the vehicle registration, the Insurer shall, at the request of the Policyholder, return the premium for the remaining insurance period ("pro rata") starting from the date of the Insurer's receipt of the request for insurance cancellation, unless the insured event had occurred prior to that date.
- (2) If an insured event had occurred prior to the date of the receipt of the request for premium return referred to under the previous paragraph, the Policyholder shall not be entitled to premium return.

Change of Motor Vehicle Owner

Article 17

- (1) If, during the insurance period, the owner of a motor vehicle should be changed, the rights and obligations under the insurance contract pursuant to the Terms and Conditions hereof shall be transferred to a new owner of a motor vehicle and shall be valid up to the insurance expiry in accordance with the Article 11 of the Terms and Conditions hereof.

Jurisdiction in Case of Dispute

Article 18

- (1) In case of a dispute between the Policyholder, i.e. the Insured and the Insurer, it shall be referred to the jurisdiction of the actual competent court at the place of the Insurer's registered office.

Transitory and Final Provisions

Article 19

- (1) If, under a particular provision of the Terms and Conditions hereof, the Claimant should have fewer rights than under the law, such provision shall not have legal effect, while the insurance contracts (policies) concluded under the Terms and Conditions hereof shall, in that part of the wording, be regulated by law. The matters regarding the MTPL insurance which have not been regulated by the provisions of the Terms and Conditions hereof shall, accordingly, be regulated by the provisions of the Road Traffic Safety Act and the Law on Contracts and Torts.
- (2) The Terms and Conditions hereof shall become effective as of 1 September, 2018.