

# **Compulsory Civil Liability Insurance of Foreign-Registered Motor Vehicle Holders Operating within the Territory of Georgia**

**Πηγή:** <https://tpl.ge/termsandconditions>

## **Article 1 - Parties to the compulsory insurance**

Parties to the legal relationship of compulsory insurance are Georgian citizens, foreigners and stateless persons within the territory of Georgia (hereinafter - "policyholder") as well as the voluntary association founded by insurers participating in the co-insurance system in order to manage the compulsory insurance activities - Non-entrepreneurial (Non-commercial) Legal Person "Compulsory Insurance Center" (hereinafter - "Center").

## **Article 2 - General conditions for selling the compulsory insurance**

1. When entering the territory of Georgia the holder/driver of a foreign-registered motor vehicle shall be obliged to insure his/her civil liability arising out of the possession of the motor vehicle during the full period of his/her stay in Georgia. Compulsory insurance covers the reimbursement for the damage (the name of vehicle holder/driver is not mandatory) incurred as a result of insured event that is caused by the operation of the foreign-registered motor vehicle in traffic or its involvement therein.

2. When entering the territory of Georgia through the border checkpoint the holder/driver of the motor vehicle is informed of the obligation to purchase the compulsory insurance.

3. Compulsory insurance might be obtained from the Center, insurer, insurance agent or broker, or via electronic payment means.

4. Compulsory insurance policy might be issued in writing as a tangible document, as well as an electronic document. Compulsory insurance policy is a document certifying the application of compulsory insurance coverage that includes the following data required for the application of compulsory insurance: parties to the compulsory insurance, commencement and end period of the compulsory insurance, essential terms and conditions, insurance limits, insurance premium, principles of insurance claims settlement and issuance of insurance proceeds;

5. Compulsory insurance is applicable for the period indicated in the compulsory insurance policy. Furthermore, the compulsory insurance application starts at the moment of the insurance premium payment and ends at 24 PM of the last day as the insurance period is referred to in the respective insurance policy.

6. Compulsory insurance policy is applicable within the territory of Georgia.

## **Article 3 - Buying the compulsory insurance policy via electronic means**

1. The compulsory insurance policy can be purchased from the Center's web-page in an electronic form.

2. Electronic document as referred to in first paragraph of this article has an equal legal effect as a compulsory insurance policy (tangible document).

3. Electronic document purchased from the Center's web-page does not require verification with a handwritten signature and seal or an exchange with a tangible document.

4. Purchasing compulsory insurance policy electronically requires filling of the following mandatory fields. Mandatory fields include the following: Details of the insurer (name, surname, personal number or passport number, citizenship, identification number for legal entities), details of the motor vehicle (category, make, model, identification code, registration number), insurance period, mobile phone number or e-mail address. Additional fields include the following: Details of the motor vehicle owner (name, surname, personal number or passport number, citizenship, identification number for legal entities) Information required for additional fields shall be filled only with Latin alphabet letters. Insurance premium payment method shall be a non-cash transaction.

5. The receipt of the compulsory insurance policy (Essential Terms and Conditions for the Compulsory Insurance Contract) and the contract on compulsory civil liability insurance of foreign-registered motor vehicle holders operating within the Territory of Georgia will be notified to the policyholder on the mobile phone or e-mail address indicated by him/her.

6. The compulsory insurance policy/contract shall be deemed concluded by the policyholder if he/she has provided completely filled information required by the mandatory fields while buying the insurance policy on the web-page and if he/she has paid the insurance premium thereon.

7. The policyholder is liable for the accuracy of information indicated in the insurance policy purchased via electronic means.

8. If the insurance period has been incorrectly indicated by the policyholder in the electronic document, the paid insurance payment shall not become the subject of refund and accordingly the insurance policy cannot be repealed.

9. The compulsory insurance policy shall be regarded as null and void in the cases where the details of the motor vehicle Identification Number and Category, or the Registration Number and Category, or the Frame Number and Category are indicated incorrectly therein. Nonetheless, the compulsory insurance policy shall be referred to as an effective legal document in the cases where the motor vehicle category is indicated incorrectly therein and therefore, the Policyholder has obtained the compulsory insurance policy unsuitable for the motor vehicle of the respective category whereas the amount of the insurance premium payable equals at least to the insurance premium applicable for the actual category of the insured motor vehicle.

#### **Article 4 - Insurance premium estimation**

1. The amount of insurance premium is defined by the law of Georgia "On Compulsory Civil Liability Insurance of Foreign-Registered Motor Vehicle Holders Operating within the Territory of Georgia"

2. The amount of the insurance premium based on the particular category of the motor vehicle and the insurance period shall be the following:

a) for motorcycles having more than 50 cc engine capacity: 15 days - 20 GEL, 30 days - 35 GEL, 90 days - 70 GEL, 1 year - 215 GEL;

b)for cars having maximum permissible mass not more than 3 500 kg and number of seats excluding that of the driver does not exceed 8 unit: 15 days - 30 GEL, 30 days - 50 GEL, 90 days - 90 GEL, 1 year - 295 GEL;

c)for buses having number of seats excluding that of the driver exceeds 8 unit: 15 days - 45 GEL, 30 days - 75 GEL, 90 days - 140 GEL, 1 year - 480 GEL;

d)for lorries having maximum permissible mass more than 3 500 kg: 15 days - 60 GEL, 30 days - 100 GEL, 90 days - 170 GEL, 1 year - 610 GEL;

e)for trailers: 15 days - 14 GEL, 30 days - 25 GEL, 90 days - 40 GEL, 1 year - 145 GEL;

f)for agricultural machineries and self-propelled vehicles: 15 days - 25 GEL, 30 days - 45 GEL, 90 days - 70 GEL, 1 year - 250 GEL;

### **Article 5 - Insured events and risks subject to the compulsory insurance reimbursement**

1.Compulsory insurance covers the event of a damage inflicted to the life, health or/and property of the injured party (third party), that is caused by the operation of the foreign-registered motor vehicle in traffic, involving the foreign-registered motor vehicle itself (including an accidents resulting from rolling down the motor vehicle, by a trailer, device or an object attached thereto, leaked, scattered, discharged or the dropped cargo during the shipment).

2.The amount of insurance limit for reimbursement of damage incurred to the life and health (also the impairment of capacity) of the injured party is indicated in the compulsory insurance policy and defined under the terms and the conditions of this contract.

3.The amount of insurance limit for reimbursement of damage incurred to the property of the injured party is indicated in the compulsory insurance policy and defined under the terms and the conditions of this contract.

4.After the insurance proceeds payout to the injured party, the Center shall have the right of recourse against the holder/driver (liable for the damage incurred) as defined by the terms and conditions under this contract.

### **Article 6 - Events that are not subject to indemnification by the Center**

1.The "Center" shall not indemnify:

a)the damage caused by motor vehicles during competitions, exams and exercises carried out within the territory of specifically designated places;

b)the damage caused by the injured party intentionally;

c)the damage caused by the force majeure (military actions, fire, explosion);

d)the damage caused by the nuclear energy, the nuclear substance or/and the shipment of hazardous cargo;

e)the damage caused by the military operation, maneuver or coup, or act of terrorism.

2.A damage envisaged by the first paragraph of this article shall be reimbursed as referred to in the legislation of Georgia by the party liable for incurring the damage.

#### **Article 7 – Notification of loss event**

1. In the case of the road traffic accident the holder/driver of the motor vehicle shall be obliged to immediately inform of the accident the Legal Entity of Public Law under the Ministry of Internal Affairs of Georgia on the hotline number '112" and the Center, stay on the road traffic accident scene and wait for an arrival of an authorised person if there is no urgent necessity for him/her or the injured party to visit a medical institution.

2.The injured party shall be obliged to address the Center with a claim on the insurance reimbursement within 60 calendar days after the loss event and submit all the respective documentation relating to the substantial circumstances of the loss event and the settlement of insurance claim.

3. If the traffic accident has become the subject of court the litigation, investigation or/and expert examination the term defined under the second paragraph of this article shall be suspended until the end of the respective proceedings.

4.If the injured party claims damages from the holder/driver of the motor vehicle, the holder/driver shall be obliged to notify the Center of such claim without any undue delay. The notification shall be regarded as equally mandatory requirement as the notification obligation set forth in the second paragraph of this article. Subsequently, the injured party shall submit the complete set of respective documentation to the Center for the purposes of insurance proceeds payout.

5.In the case of failing the deadlines set forth in this article by the injured party the Center shall not be liable for issuing the insurance proceeds.

#### **Article 8 - Insurance Proceeds**

1.The damage inflicted to the injured party shall be reimbursed by the Center.

2.The Center shall reimburse damages based on the respective mandatory insurance policy.

3.The Center shall carry out claims settlement procedures in order to issue the insurance proceeds (and provide the assessment of damage as well, when applicable) through its employees or/and hired personnel (including the employees of insurers). The decision on the claim settlement by the Center shall be made within the reasonable period not exceeding 30 days after the receipt of the respective documentation.

4.The "Center" shall be obliged to arrange an insurance proceeds payout to the injured party within the 15 days after parties sign the agreement on the insurance compensation amount or refuse the insurance proceeds payment along with the justified decision within the 10 days after the receipt of the respective documentation.

5.The breach of the insurance proceeds payout due date pursuant to the Article 5 shall carry penalty interest with an amount of 0.1 % of the due insurance proceeds, payable by the "Center" to the injured party per each delayed day.

6.If the damage inflicted to the injured party exceeds the insurance limits set forth in the insurance policy, he/she is entitled to claim the amount of further compensation pursuant to the Georgian legislation from the party liable for the reimbursement of inflicted damages.

### **Article 9 - Conditions of insurance proceeds payment for the damage incurred to the life and health of the injured party**

1.The amount of insurance limit per damage incurred to the health, capacity or life to the injured party within the effective period of compulsory insurance policy shall be 30 000 GEL, and the sum amount of insurance limit per insured event shall be 300 000 GEL.

2.The insurance limit amount and applicable events pursuant to the first paragraph of this article shall be defined per injured party as follows:

a)Maximum amount of insurance proceeds payable on the medical treatment for the harm inflicted to the health is 15 000 GEL;

b)Maximum amount of insurance proceeds payable on the damages causing a capacity limitation or a death is 30 000 GEL.

3.Pursuant paragraph 2(b) of this article the damage shall be reimbursed in the following amount of percentage:

a)in case of the death of the injured party - 100 %;

b)in case of the limitation of capacity of the injured party with the degree of:

b.a) profound impairment - 100 %;

b.a) severe impairment - 60%;

b.c) mild impairment - 30%.

4.If the capacity of the injured party is impaired/the degree of his/her capacity impairment increases or he/she dies due to the damage arising from or caused as a result of the insured event within 1 year as of the date of insurance proceeds payment, the Center will be obliged to issue the insurance proceed payment pursuant to the amount referred to in compulsory insurance policy, not exceeding the amount of difference between the insurance limit defined thereto and the insurance proceeds that had been arranged before. Furthermore, the amount of insurance proceeds payable in case of the capacity impairment growth shall be calculated pursuant to the difference between the increased degree of impairment and the degree thereof before.

5.The injured party shall submit respective documentation (excluding the document certifying the inheritance) to the Center within 45 days from the date of impairment growth or death confirmation. In the case of failing this obligation the Center (insurers) will be exempt from the obligation to pay insurance proceeds.

6.If the sum amount of damage inflicted to the life and health of several injured parties arising from one insured event exceeds the sum amount of insurance proceeds limit referred to in the first paragraph of this article, insurance reimbursement will be issued pro rata per injured party.

7.If the injured party maintains the voluntary insurance policy for life or health, the compulsory insurance shall be applicable in the first place in cases when the damage is inflicted as a result of insured event.

#### **Article 10 - Conditions of insurance proceeds payment for the damage inflicted to the property of the injured party**

1.The amount of insurance limit for damage incurred to the property of per injured party as a result of per insured event within the effective period of compulsory insurance policy shall be 25 000 GEL, and the sum amount of insurance limit per insured event shall not exceed 50 000 GEL.

2.Damages that fall within the scope of the property loss are the following:

a)damage or destruction of the vehicle possessed by the injured party;

b)damage or destruction of a road surface, non building structure, building or/and construction;

c)damage or destruction of a private item or other belonging of the injured party.

3.The amount of damage incurred to the property of injured party shall be evaluated based on the following:

a)in the case of the damage incurred to the immovable or movable property - the amount of repair/restoration of the damaged part (to recover the condition as of the day of the insured event);

b)in the case of the complete destruction of the immovable property (total loss) - real value of the immovable property restoration as of the day of the insured event less the value of marketable waste;

c)in the case of the complete destruction of the movable property (total loss) - real market value of the movable property restoration less the value of marketable waste suitable for further exploitation or the value of property replacement.

4.When the preliminary costs of repair/restoration of the damaged property equals to or exceeds 70% of market value thereof, the complete destruction of property (total loss) should be declared.

5.If the holder/driver of the motor vehicle has the voluntary insurance policy for his/her civil liability or the injured party has the motor vehicle voluntary insurance policy or other property covered with voluntary insurance product, the compulsory insurance shall be applicable in the first place in cases when the damage is inflicted as a result of insured event.

6.If parties fail to reach an agreement on the value of the damage inflicted, each of them shall be entitled to address the issue to the independent surveyor to determine the value thereof. Expenses relating to the independent survey shall bear the referring party. Failing such agreement parties shall address the issue pursuant to the Georgian legislation.

7.After the occurrence of loss event until the amount of insurance proceeds will be defined the injured party is entitled to repair the damaged property only in case of prior written approval from the Center, except for the cases when the repair works are carried out due to the necessity to avoid further loss.

8.Failing the obligation by the injured party as referred to in paragraph 5 of this article, insurers are entitled to reject the claim on insurance proceeds.

9.If the sum amount of damage incurred to the property of several injured parties arising from one insured event exceeds the sum amount of insurance proceeds limit referred to in first paragraph of this article, insurance reimbursement will be issued pro rata per injured party.

#### **Article 11 - Right of recourse**

1. After the insurance proceeds payout to the injured party, the Center shall have the right of recourse against the person responsible for the damage in the following cases:

- a) the person responsible caused the damage intentionally;
- b) the person responsible drove the motor vehicle under the influence of alcohol, toxic, psychotropic or addictive drugs;
- c) the person responsible drove the motor vehicle without a valid driving licence;
- d) the person responsible drove the motor vehicle illegally.

2. The amount subject to the right of recourse shall not exceed the sum of insurance proceeds payout.

Article 12 - Liability for operating the motor vehicle within the territory of Georgia without the compulsory insurance

The holder/driver of the foreign-registered motor vehicle that operates the vehicle without the compulsory insurance within the territory of Georgia shall be liable under the Administrative law.