

Compulsory policy covering Third party Bodily Injuries.



Following the cabinet's meeting on 12th December 2002, it was decided to apply as of April 5th 2003 decree no 9585, that defines the application of the law decree 105 on the compulsory motor policy dated 30 June 1977.

As of this date you are required to purchase a motor bodily injury policy that covers bodily injury caused to third party resulting from a road accident.

The Law

Bodily injuries caused to third parties resulting from a road accident are covered. But after settlement of the claim the insurance company has the right to start a recovery procedure from the driver if his liability is ascertained under the following circumstances:

1. The proven fact that the car driver has been under the effect of alcohol or any drugs,
2. The use of the car for any purposes other than those stated in the car license,
3. The car driver does not have a driving license,
4. The car has not passed the mechanic check on due time and is still being driven under unacceptable mechanical conditions,
5. In case of critical driving mistakes such as:
 - a) Driving in the wrong way, running through the red light, in case the number of passengers in car exceeds the limit stated in the car license and in case of overweight for trucks and vans.
 - b) A false declaration for policy issuance.
6. In case there's a proven fact that the accident was intentionally provoked

Unless extended by a special endorsement on the material damage, the compulsory motor policy does **not** cover:

1. Medical expenses due to bodily injury accident caused to the driver and any of the car passengers being family members, lawyers of the car driver, and contractual to the car driver.
2. Death caused to the driver or the passengers, being family members, lawyers of the car driver, and contractual to the car driver.

Tips:

- ✓ *The compulsory motor policy cannot be cancelled nor refunded nor endorsed.*
- ✓ *In order to pay your mechanic tax you will have to buy the compulsory policy which is issued in terms of 12 months up to 24 (long term)*
- ✓ *The Material damage policy could be issued for a short period, for 12 months and less so the insured can adjust the issuance of the two polices for the same month of the mechanic tax.*

Frequently Asked Questions:

- ***What is the yearly premium on this compulsory police?***
75,000 LBP for private sedan cars up to the limit of 750,000,000 LBP
- ***What happens in case of cancellation; change of cars...?***
The compulsory policy cannot be cancelled nor refunded nor endorsed
- ***Can you buy a higher limit for bodily injury under the compulsory?***
Yes if your insurance company has this option
- ***What if you don't want t buy the compulsory policy?***
You are against the law