GENERAL TERMS AND CONDITIONS FOR COMPULSORY TPL INSURANCE

SUBJECT MATTER OF THE INSURANCE

The subject matter of this contract is the insurance of the liability of the driver of a motor vehicle for damages that such driver may cause to third parties as a result of the use of the vehicle, due to his/her culpable acts or omissions, in accordance with the provisions of Law No. 32/2021, dated 16.03.2021, "On Compulsory Insurance in the Transport Sector."

This insurance contract has a term of one year and covers the liability of the insured towards third parties for damages occurring exclusively within the territory of the Republic of Albania.

GENERAL PROVISIONS

1. Pursuant to Law No. 32/2021 and within the limits specified therein, this contract covers property damage and personal injury, which is calculated in accordance with the Regulation of the Financial Supervisory Authority issued pursuant to Article 11 of this Law.

Property damage means damage suffered as a result of damage to or destruction of property, whereas personal injury means damage resulting from death, bodily injury, and deterioration of health suffered by the injured party or his/her relatives. This includes both pecuniary and non-pecuniary damage.

Ordinary personal belongings and objects which, by their nature, are carried by persons being transported are covered by this contract.

2. Motor vehicle liability insurance does not cover damage to goods that the holder of the vehicle, who caused the accident, undertook to transport and which are in the vehicle at the time of the accident.

3. The liability of the owner of the motor vehicle applies to damages caused both by the towing vehicle and by the vehicle being towed.

4. The insurance contract also covers personal injury and property damage that may be caused to pedestrians, cyclists, and users of non-motorized vehicles travelling on the road.

5. Together with the insurance policy, the insurance company is obliged to provide the insured with the European Accident Report, using the form approved by the Authority.

6. In all cases where the motor vehicle is made available for use to a person whose name is not stated in the insurance policy, the vehicle owner must notify the insurance company that issued the policy. The insurance company shall calculate the applicable insurance premium where the bonus-malus system applies.

7. The rights and obligations arising from the insurance contract, where ownership of the vehicle changes during the insurance period, shall transfer to the new owner and remain valid until the expiry of the insurance contract.

The new owner must notify the insurance company of the change of ownership and have this change reflected in the insurance contract within 15 (fifteen) calendar days.

8. The limitation period for an injured third party to seek compensation from the insurance company is 2 years from the date of occurrence of the accident, pursuant to Article 115, paragraph "ç", of the Civil Code of the Republic of Albania.

EXCLUSIONS FROM INSURANCE COVERAGE AND EXCLUSIONS FROM COMPENSATION

9. The following persons are not entitled to benefits under this insurance contract:

a) The driver of the vehicle who caused the accident, including his/her legal heirs and relatives, for damages caused to that driver;

b) Any passenger who voluntarily travels in the motor vehicle that caused the accident and which is driven by an unauthorized driver, where it is proven that the person travelling in the vehicle was aware of these circumstances;

c) Any passenger who voluntarily travels in an uninsured vehicle that caused the accident, where it is proven that the person was aware of this circumstance;

d) A person who unlawfully appropriated the motor vehicle and was injured while using that vehicle;

e) An injured person in the following cases:

i) As a result of the use of a vehicle in sporting events on roads or sections of roads that are not permitted for driving, for the purpose of achieving high average speeds or for training for competitions;

ii) As a result of the effects of nuclear energy during the transportation of radioactive materials;

iii) As a result of acts of war, riots, or terrorist acts, provided that the insurance company proves that the damage was caused by such events.

f) Where the driver does not use the vehicle in accordance with the purpose for which it is intended to be used;

g) Where the driver does not possess a valid driving licence for the relevant category or type of motor vehicle, except in cases where the vehicle is being used for driving lessons and is driven by a learner driver in accordance with all rules established for the driving instruction process;

h) Where the driver's driving licence has been suspended, the driver has been prohibited from driving the relevant type or category of vehicle, or the use of a driving licence issued by another country has been prohibited within the territory of the Republic of Albania;

i) Where the driver operates the motor vehicle under the influence of alcohol above the permitted limit, or under the influence of narcotic or psychoactive substances;

j) Where the driver intentionally causes the damage;

k) Where the accident occurs due to technical defects of the vehicle of which the driver was aware.

The loss of the rights arising from insurance, as specified in paragraphs “f” through “k”, does not limit the rights of third parties to submit a compensation claim to the liable insurer. The insurer has the right to recover from the person responsible for the damage the full amount paid for damages, interest, and expenses.

OTHER PROVISIONS

10. The injured party is obliged to notify the Insurance Event immediately and as soon as possible to the responsible insurance company.

11. The injured party shall submit a compensation claim directly to his/her own insurance company where the person responsible for the accident is uninsured or unidentified, for any damage caused to his/her property or health.

12. The insurance company shall process the compensation claim and notify the injured party of the amount of compensation or of the rejection of the compensation claim:

- for personal injury, within 90 (ninety) calendar days from the date of submission of the compensation claim; and
- for property damage exceeding ALL 100,000 (one hundred thousand), within 30 (thirty) calendar days from the date of submission of the compensation claim.

Following processing of the claim and signing of the compensation acceptance statement, payment shall be made within 14 calendar days.

For property damage of up to ALL 100,000 (one hundred thousand), the processing and payment of compensation shall be completed within 14 (fourteen) calendar days from the date of submission of the compensation claim.

13. Pursuant to Article 9 and Article 10, paragraph 10, of Law No. 32/2021, dated 16.03.2021, "On Compulsory Insurance in the Transport Sector," following the processing of the claim and receipt of a response from the insurance company/Bureau, the injured party who has further claims may bring a civil action before the court.

14. Drivers of vehicles involved in a road accident, in cases involving property damage of up to ALL 30,000 (thirty thousand), may, if they agree, complete, sign, and exchange the European Accident Report without the need to obtain a police report establishing the violation from the Traffic Police.

For property damage of up to ALL 30,000 (thirty thousand), only where the drivers involved in the accident do not agree, as well as for all property damage exceeding this amount, they must obtain a police report establishing the violation from the Traffic Police.

15. Based on Law No. 32/2021, dated 16.03.2021, "On Compulsory Insurance in the Transport Sector," the minimum liability limit covered by the insurance contract upon the entry into force of the Law is determined in Article 25 of that Law.

For contracts concluded from 01.01.2022 through 31.12.2026, the limit for damage caused by other vehicles, including unidentified vehicles, shall increase by ALL 4,000,000 (four

million) each year, and the limit for each injured person in an insured event shall increase by ALL 2,000,000 (two million) each year.

16. Personal data collected under this contract (the name of the compulsory insurance policy) shall be used for the administration of the insurance contract and for providing services to the insured and beneficiary, including claims handling, pursuant to Law No. 32/2021, dated 16.03.2021, "On Compulsory Insurance in the Transport Sector." The insurance company (name of the company) shall transfer personal data to third parties for insurance or business purposes in accordance with the requirements of the law.

With regard to the personal data collected and its processing, the client has the right to exercise the right of access and the other rights provided for under Law No. 9887, dated 10.03.2008, "On the Protection of Personal Data," as amended.

Verify your TPL insurance policy in the Electronic Online Register of Compulsory Motor Insurance Sales on the website of the Financial Supervisory Authority at www.amf.gov.al, or by contacting konsumatori@amf.gov.al.

Law No. 9572, dated 03.07.2006, "On the Financial Supervisory Authority," as amended, Article 27.

**Law No. 9975, dated 29.07.2008, "On National Taxes," as amended, Article 5.*