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CABINET OF MINISTERS OF THE REPUBLIC OF LATVIA

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Amendments:
Regulations of the Cabinet of Ministers of
25 March 2008 No. 208 (L.V., 28th of March, no.49)

(Minutes No. 72 1.§)

Issued pursuant to Section 19, Paragraph three of the Law on the Compulsory
Third Party Liability Insurance for Owners of Inland Motor Vehicles

I. General Provisions

II. Documents necessary for calculation of insurance indemnity

III. Procedure for Calculation of the Insurance Indemnity

IV. Final Provisions

Regulations on the Amount and Procedure of Calculation of the Insurance Indemnity for Material Losses Caused to a Person

I. General Provisions

1. The Regulations shall determine the amount and procedure of calculation of insurance indemnity of the compulsory third party liability insurance for owners of inland motor vehicles for material losses caused to a person in a road traffic accident that are related to medical treatment, temporary disablement, loss of ability to work or death of the suffered person.
2. For the purpose of these Regulations the following terms shall be used:
 - 2.1. beneficiary of the insurance indemnity – a person to which the insurance indemnification has been granted;
 - 2.2. documents supporting the material loss – cashier's checks and/ or receipts (originals) with details of the payer supporting the transaction for received medical services, purchased medical substances (medications, medicines and vitamins);
 - 2.3. regular insurance indemnity payments – payments made either by the insurer or by the Motor Insurers' Bureau in respect of loss of ability to work or death of a person resulting from road traffic accident.

II. Documents necessary for calculation of insurance indemnity

3. The insurer and the Motor Insurers' Bureau consider a written application for the insurance indemnity for material losses caused to a person in the road traffic accident that are related to medical treatment, temporary disablement, loss of ability to work or death, if it has been submitted within three years from the moment of occurrence of insurance event.
4. To receive insurance indemnity for medical treatment of the suffered person, the following documents shall be enclosed to the application:

- 4.1. extracts from medical records of the patient of the hospital and/ or outpatient medical institution issued by the medical institution to which the person who suffered in the road traffic accident has been delivered or where this person consulted after the road traffic accident;
- 4.2. extracts from medical records of the patient of the hospital and/ or outpatient medical institution issued by the medical institution where the person who suffered in the road traffic accident continued medical treatment after trauma suffered in the road traffic accident;
- 4.3. documents certifying material losses corresponding to trauma suffered in the road traffic accident;
- 4.4. documents justifying reasonable transport costs incurred by attending medical institutions.
5. To receive the insurance indemnity for the temporary disablement of the suffered person, the following shall be attached to the application:
 - 5.1. copies of a sick leave certificate section A and sick leave certificate section B (if the indemnity is requested by the employer of the suffered person, only a copy of section A is necessary);
 - 5.2. a statement provided by the employer according to the Labour Law on the average income before the road traffic accident;
 - 5.3. a statement of the employer on the calculated and paid sick-pay to the suffered person;
 - 5.4. a statement of the State Social Insurance Agency on the amount of sickness benefit paid to the suffered person (if the indemnity is requested by the suffered person);
 - 5.5. a statement of the State Social Insurance Agency on the amount of insurance contributions paid by the person suffered in the road traffic accident for the last six months before the road traffic accident;
 - 5.6. a proof on the sick-pay paid to the suffered person (the indemnity is requested by the employer of the suffered person).
6. To receive the insurance indemnity for loss of ability to work by the suffered person, the following documents shall be attached to the documents mentioned in the Paragraph 5 of these Regulations:
 - 6.1. a copy of the reference issued by the Health and Disablement Expertise Doctors Commission (upon presenting the original) or a notarised copy;
 - 6.2. a reference or copy of a decision made by the State Social Insurance Agency on the amount of disablement pension granted/ paid to the suffered person or the amount of insurance indemnity for loss of ability to work in connection with accident at work;
 - 6.3. a reference of the employer on the wage (if the suffered person continues to work);
 - 6.4. a reference of the State Social Insurance Agency on the amount of social insurance contributions of the person suffered in the road traffic accident (if the suffered person continues to work);
 - 6.5. a reference on benefits received from the state and local budgets;
 - 6.6. a reference from the higher educational establishment where the person studied in the full time programme before the road traffic accident (if the persons requests to reimburse tuition fee);
 - 6.7. a reference from the educational establishment where the person continues to study in the part time programme after the road traffic accident (if the persons requests to reimburse tuition fee);
 - 6.8. documents confirming payment of the tuition fee in the educational establishments mentioned in the Paragraphs 6.6. and 6.7. of these Regulations (if the persons requests to reimburse tuition fee);
 - 6.9. a copy of educational document (upon presenting the original) and application concerning the chosen educational establishment and educational programme as well as documents that support acquirement of qualifications in the new chosen profession which is compatible with the present state of health (if indemnity is requested for costs incurred by acquirement of a new profession).

7. To receive insurance indemnity for losses related to death of the suffered person (costs of burial), the following documents shall be enclosed to the application:
- 7.1. a copy of the death certificate of the person deceased in the road traffic accident, presenting the original of the certificate;
 - 7.2. documents (for example, receipt on burial service, a reference of the cemetery manager, extract from the cemetery archive books), which certify the fact of burial;
 - 7.3. documents that support actually spend reasonable costs incurred by burial of the suffered person (submitted by the claimant of the insurance indemnity who has claimed the indemnity, which exceed eight minimum wages).
8. To receive the insurance indemnity for losses in connection with death of the suffered person (in connection with death of breadwinner), the following documents shall be enclosed to the application:
- 8.1. a copy of the death certificate of the person deceased in the road traffic accident – the breadwinner (upon presenting the original);
 - 8.2. a copy of a document proving the relationship (upon presenting the original) or a notarised copy;
 - 8.3. a copy of the birth certificate of the child (upon presenting the original) or a notarised copy, if a dependent is a child by the age of eight and regular payments of the insurance indemnity are to be granted also to a widow (widower) capable to work;
 - 8.4. a copy of the marriage certificate (upon presenting the original) or a notarised copy, if the indemnity is requested by a widow (widower);
 - 8.5. a reference from a secondary educational or higher educational establishment, if the dependent is a child and if during the time the death of the breadwinner occurred he studied in the secondary educational establishment or was a full time student at a higher educational establishment, and if he is not older than 24;
 - 8.6. a copy of the disablement reference issued by the Health and Disablement Expertise Doctors Commission, presenting the original or a notarised copy, if the dependent is not capable to work (disabled person);
 - 8.7. a reference of the State Social Insurance Agency on the amount of social insurance contributions of the person deceased in the road traffic accident for the last six months before the road traffic accident;
 - 8.8. a reference or a copy of a decision made by the State Social Insurance Agency on the amount of pension granted to dependents of the person deceased in the road traffic accident for loss of breadwinner, state social insurance benefit or indemnity for loss of the breadwinner in connection with the accident at work;
 - 8.9. a reference on benefits received from the state and local budgets.

III. Procedure for Calculation of the Insurance Indemnity

9. The insurance indemnity for material losses caused to a person in the road traffic accident shall be calculated starting from the date the rights for it occur.
10. The insurance indemnity for material losses caused to a person in the road traffic accident shall be calculated taking into account a defined insurer's liability limit for indemnification of losses caused to a person.
11. The insurance indemnity for medical treatment of a person suffering in the road traffic accident shall be calculated on the basis of submitted documents supporting the material losses.
12. The insurer or the Motor Insurers' Bureau examines documents supporting the material losses and compares them to submitted extracts from medical records of the patient of the hospital and/ or outpatient medical institution.
13. Documents supporting the material losses, which indicate costs to be indemnified, shall be kept in the office of the insurer or the Motor Insurers' Bureau. The insurer or the Motor Insurers' Bureau shall send or return documents that do not support medical treatment of trauma caused in the road traffic accident to the submitter upon the submitter's request.

14. Costs of enhanced quality services and unconventional treatment methods (for example, acupuncture, biophysical methods, aroma therapy, homeopathy, magnetic impulse, bioenergy and bioresonance therapy) are indemnified with a prior written agreement with the insurer and the Motor Insurers' Bureau.

15. The insurance indemnity for temporary disablement of the person suffering in the road traffic accident shall be calculated on the basis of documents mentioned in the Paragraph 5 of these Regulations.

16. The insurance indemnity for loss of ability to work of the person suffering in the road traffic accident shall be calculated on the basis of documents mentioned in the Paragraph 6 of these Regulations. Regular insurance indemnity payments for one year shall be calculated taking as a basis the period for which the state (disablement) pension or the indemnity for the loss of ability to work due to the incident at work is calculated and paid. If the amount of the state (disablement) pension, the amount of the indemnity for the loss of ability to work due to the incident at work, or the amount of the remuneration for work is being reconsidered, the insurance indemnity shall be recalculated in accordance with the mentioned changes within a month following the receipt of an updated application mentioned in the Paragraph 27 of these Regulations and documents mentioned in the Paragraph 5 of these Regulations.

17. The insurance indemnity for losses in connection with death of the suffered person in the road traffic accident shall be calculated on the basis of documents mentioned in the Paragraphs 7 and 8 of these Regulations.

18. A share of non-received income which was due to each dependent when the suffered person was alive, shall be calculated by dividing non-received income of deceased person by the number of dependents, which is increased by one unit.

19. Non-received income shall be defined in the following way:

19.1. for an employed person – a non-received average salary, with taxes deducted, that according to the Labour Law is calculated in accordance with the Labour Law by all employers with whom the above-mentioned person have had employment relations;

19.2. for a self-employed person – non-received income calculated by dividing a sum of income of last 12 months by the number of months and deducting taxes;

19.3 for an unemployed pensioner – a defined pension;

19.4. for an employed pensioner – income mentioned in the Paragraphs 19.1., 19.2. and 19.3. of these Regulations (by summing up existing income);

19.5. for an unemployed person – a minimum wage defined by the government, deducting taxes.

20. The amount of regular monthly payment of the insurance indemnity calculated for each dependent together with the paid state pension or social security benefit shall not be less than the amount of the minimum amount of subsistence defined by the state, which each of parents is obliged to ensure for their child.

21. If the defined amount of subsistence is changed, the insurance indemnity shall be calculated in accordance with the mentioned changes.

22. If the amount of the state pension or social security benefit is changed, or the amount of the received wages is changed (taking into account the estimated consumption price index for the preceding calendar year calculated by the Central Statistical Bureau, as calculated by comparing the prices in December of the current year with the consumption prices in December of the previous year), the insurance indemnity shall be calculated in accordance with the mentioned changes within one month following the receipt of an updated application mentioned in the Paragraph 27 of these Regulations and documents mentioned in the Paragraphs 8.8. and 8.9. of these Regulations.

(according to the wording/revision of the Regulations of the Cabinet of Ministers of 25 March 2008 No. 208)

23. If the number of dependents changes, the insurance indemnity shall not be recalculated, except cases of legal birth of a child stipulated in the Civil Code.

24. Regular insurance indemnity payments shall be made once a month, if it is not otherwise agreed between the beneficiary of the insurance indemnity and the insurer or Motor Insurers' Bureau.

25. The insurance indemnity for material losses caused to a person in the road traffic accident that are related to medical treatment, temporary disablement, loss of ability to work or death shall be paid until there are conditions providing for the right to receive the insurance indemnity.

26. Amounts of regular payments of the unjustifiable insurance indemnity paid through the beneficiary's of the insurance indemnity may be withheld until complete repayment of the mentioned amounts. If regular payments of insurance indemnity are suspended before repayment of the total amount of debt and the mentioned beneficiary of the insurance indemnity does not repay the unjustifiably received amounts of his own free will, the respective amount shall be recovered in court.

27. The beneficiary of regular insurance indemnity payments shall submit the updated application on continuation of the regular insurance indemnity payments, attaching the documents, mentioned in the Paragraphs 6 and 8 of these Regulations:

27.1. within a month following the end of the previous 12-month period;

27.2. each year during the time period from the 1st of January till the 31st of January.

(according to the wording/revision of the Regulations of the Cabinet of Ministers of 25 March 2008 No. 208)

28. If the beneficiary of insurance indemnity has not updated the application on continuation of the regular insurance indemnity payments within the time period set in the Paragraph 27 of these Regulations without any justifiable reason, the insurer or the Motor Insurers' Bureau shall suspend regular insurance indemnity payments until lodging a new application and shall send a written notification to the beneficiary of insurance indemnity within three working days.

IV. Final Provisions

29. Regulations shall apply to those insurance events, which take place after these Regulations have come into force.

30. The Sub-paragraph 27.1. of these Regulations shall apply to the insurance events, which have taken place before the 31st of December, 2007.

(according to the wording/revision of the Regulations of the Cabinet of Ministers of 25 March 2008 No. 208)

31. The Sub-paragraph 27.2. of these Regulations shall apply to the insurance events, which took place after the 31st of December, 2007.

(according to the wording/revision of the Regulations of the Cabinet of Ministers of 25 March 2008 No. 208)

Prime Minister

A.Kalvītis

Minister of Finance

O.Spurdziņš