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Regulations of the Cabinet of Ministers
of 6 June, 2006 no. 463 (L.V., 21.06.2006, Ziņotājs, no.16)

Regulations of the Cabinet of Ministers
of 17 April, 2007. no.256 (L.V., April 20, no.65)

Regulations of the Cabinet of Ministers of 25 March, 2008. no.197 (L.V.,
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Regulations of the Cabinet of Ministers of
[24 September 2013](#), No.986 (L.V., 21 October 2013, no.205)

CABINET OF MINISTERS OF THE REPUBLIC OF LATVIA

Regulations No. 195

22.03.2005

In Riga

Procedure of Establishment, Accrual and Administration of the Guarantee Fund for the Compulsory Third Party Liability Insurance for Owners of Inland Motor Vehicles

(Minutes No. 15 1.§)

Issued pursuant to Section 51, Paragraph nine of the Law on the Compulsory
Third Party Liability Insurance for Owners of Inland Motor Vehicles

I. General Provisions

II. Establishment and Accrual of the Fund

III. Administration of the Fund

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I. General Provisions

1. The Regulations shall determine the procedure of establishment, accrual, management and administration of the guarantee fund (hereinafter – fund) for the compulsory third party liability insurance for owners of inland motor vehicle.
2. The purpose of the Fund is to ensure payments of insurance indemnity and disbursements in cases stipulated by the Law on the Compulsory Third Party Liability Insurance for Owners of Inland Motor Vehicles.
3. The Fund shall consist of cash accrued in accordance with the procedure set in these Regulations.
4. The Fund shall not have a status of legal entity.
5. The cash of the Fund shall be kept in the accounts of the Motor Insurers' Bureau. The accounts shall be managed by the Motor Insurers' Bureau.
6. Resources of the Fund and of the Motor Insurers' Bureau shall be separated.

II. Establishment and Accrual of the Fund

7. Insurers that have the right to perform the compulsory third party liability insurance for owners of inland motor vehicles shall be participants of the Fund.
8. The participants of the Fund shall make payments into the Fund in euro. Cash for the damages incurred during the accident recovered by the Motor Insurers' Bureau in form of regress as well as donations and grants may be paid into the Fund in foreign currency.
(according to the wording/revision of the Regulations of the Cabinet of Ministers of 25 March 2008, No. 197 and the Regulations of the Cabinet of Ministers of [24 September 2013](#), No.986)
9. Insurers willing to obtain the right to perform the compulsory third party liability insurance for owners of inland motor vehicles shall at first pay a single premium into the Fund. The amount of the single premium shall be EUR 7 000.
*(according to the wording/revision of the Regulations of the Cabinet of Ministers of [24 September 2013](#), No.986)
(with the amendments, which are made by the Regulations of the Cabinet of Ministers of 6 June 2006, No. 463)*
10. If the insurer is not conferred the right to perform the compulsory third party liability insurance for owners of inland motor vehicles, he shall submit an application on repayment of the single premium to the Motor Insurers' Bureau. A decision issued by the Financial and Capital Market Commission on refusal to issue a licence for performance of the compulsory third party liability insurance for owners of inland motor vehicles. The Motor Insurers' Bureau shall repay the amount paid in accordance with the Paragraph 9. of these Regulations from the resources of the Fund within five working days following receipt of the application lodged by the insurer.
11. The insurer shall make regular monthly deductions from the premiums of the compulsory third party liability insurance for owners of inland motor vehicles (hereinafter – regular monthly deductions). The regular monthly deductions shall be determined according to the clause 1 of the annex of these Regulations from each insurance contract of the compulsory third party liability insurance for owners of inland motor vehicles, which has become valid during the report period (one calendar month).

(according to the wording/revision of the Regulations of the Cabinet of Ministers of 25 March 2008, No. 197)

11.1 The Motor Insurers' Bureau shall not later than on the 20th day after the end of the quarter summarize the information in writing on the total cash amount of the Fund as to the last day of the quarter. Not later than on the 30th day after the end of the quarter, the Motor Insurers' Bureau shall notify the insurer in writing on the total amount of the Fund, if it is found out that the insurer shall discontinue paying the regular monthly deductions or shall start paying the regular monthly deductions.

(according to the wording/revision of the Regulations of the Cabinet of Ministers of 25 March 2008, No. 197)

12. Upon receipt of the Motor Insurers' Bureau statement on the total amount of the Fund:

12.1. if the total amount of the Fund is more than EUR 20 000 000 - the insurer shall not make the regular monthly deductions;

12.2. if the total amount of the Fund is between EUR 17 000 000 and EUR 20 000 000 - the insurer shall make the regular monthly deductions in accordance with the Paragraph 11 of these Regulations;

12.3. if the total amount of the Fund is less than EUR 17 000 000 - the insurer shall make the regular monthly deductions in accordance with the Paragraph 11 of these Regulations in double amount.

(according to the wording/revision of the Regulations of the Cabinet of Ministers of 25 March 2008, No. 197 and the Regulations of the Cabinet of Ministers of [24 September 2013](#), No.986)

12.1 In the case mentioned in the Sub-paragraph 12.2. or 12.3 of these Regulations, the insurer shall make the regular monthly deductions beginning from the next calendar month, after the end of the corresponding quarter. The insurer shall transfer the regular monthly deductions to the Fund within 15 days after the end of each reporting period. If the mentioned deadline is not observed, the insurer in addition to the payable amount shall pay 0.1 per cent of the respective amount for each day of overdue payment.

(according to the wording/revision of the Regulations of the Cabinet of Ministers of 25 March 2008, No. 197)

13. To ensure continuous solvency of the Fund, the minimum amount of resources of the Fund shall be 10 000 000 Lats. If the amount of resources of the Fund becomes less than EUR 14 200 000 and does not renew up to this amount within one month, insurers shall make single additional premiums in order to renew the minimum amount of resources of the Fund. The amount of single additional premium shall be calculated in accordance with the moment the reduction of resources of the Fund has taken place. The amount of single additional premium shall be calculated in proportion to the number of valid contracts signed by each insurer taking into account the duration of these contracts at the moment of reduction of resources of the Fund.

(according to the wording/revision of the Regulations of the Cabinet of Ministers of [24 September 2013](#), No.986)

14. A share of the single premium (taking into account indemnities and resources recovered in a form of regress) shall be repaid to the insurer who in compliance with legal acts has lost the right to perform the compulsory third party liability insurance for owners of inland motor vehicles, if the respective insurer has fulfilled all obligations for possible claims in respect to the contracts of the compulsory third party liability insurance for owners of inland motor vehicle signed by it. The repayable share to the insurer shall not exceed the amount of the single

premium.

(with the amendments, which are made by the Regulations of the Cabinet of Ministers of 6 June 2006, No. 463)

15. The amount repayable to the insurer in accordance with the Paragraph 14 of these Regulations shall be repaid after three years from the date of expiration of the last contract of the compulsory third party liability insurance for owners of inland motor vehicles signed by the insurer.

III. Administration of the Fund

16. The Motor Insurers' Bureau shall manage the Fund, decide on depositing the resources of the Fund and be responsible for spending.
(according to the wording/revision of the Regulations of the Cabinet of Ministers of 25 March 2008, No. 197)

17. The Motor Insurers' Bureau shall have rights to spend resources of the Fund in accordance with objectives and cases stipulated in the Law on the Compulsory Third Party Liability Insurance for Owners of Inland Motor Vehicles.

18. The Chairperson of the Board of the Motor Insurers' Bureau or his proxy shall have signatory powers on behalf of the manager of the Fund.

19. Supervision of the procedure of establishment, accrual and management shall be performed by the Financial and Capital Markets Commission, which implements control of the Fund not less than once a year. The Financial and Capital Markets Commission shall inform the Ministry of Finance and the Motor Insurers' Bureau about the results of the control of the Fund.

IV. Final Provisions

20. The Cabinet of Minister Regulations of 13 May 1997 No 180 "Provisions of the guarantee (reserve) fund for the compulsory third party liability insurance for inland motor vehicle owners" (Latvijas Vēstnesis, 1997, No 121; 1998, No 289/290; 1999, No 48./49.; 2000, No 466/469; 2002, No 48; 2003, No 112; 2004, No 21) shall be repealed.

21. *(deleted according to the Regulations of the Cabinet of Ministers of 25 March 2008, No. 197)*

22. The insurer who has made the one-time/single contribution into the Fund according to the wording of the Paragraph 9 of these Regulations, which were valid till the June 21, 2006, shall till the July 1, 2007 receive repaid by the Motor Insurers' Bureau from the Fund the part of the one-time/single contribution made by the insurer, which makes the difference between the amount of the one-time/single payment, made by the insurer, and the amount of the one-time/single payment, stipulated by the Paragraph 9 of the Regulations.

(according to the wording/revision of the Regulations of the Cabinet of Ministers of 17 April 2007, No. 256)

On behalf of the Prime Minister — Minister of Children and Family Affairs

A.Baštiks

On behalf of the Minister of Finance — Minister of Finance

A.K.Kariņš

(according to the wording/revision of the Regulations of the Cabinet of Ministers of [24 September 2013](#), No.986)

Annex

To the Cabinet of Ministers
Regulations of 22 March 2005 No 195

Deductions to the Guarantee Fund for the Compulsory Third Party Liability Insurance for Owners of Inland Motor Vehicles

1. Regular monthly deductions from premium of each contract of the compulsory third party liability insurance for owners of inland motor vehicle depending on the type of the kind of the vehicle and duration of the insurance contract (Y(ij)1) are summarised in the table.

Table

No	Kind of the vehicle	Deductions to the Fund (euro) in accordance with the duration of the contract (Y(ij)1)
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		3 months j = 1	6 months j = 2	9 months j = 3	12 months j = 4
1.	Cars (i = 1)	0.47	0.65	0.78	0.92
2.	Trucks (i = 2)	0.92	1.62	1.85	2.08
3.	Busses (i = 3)	1.39	2.32	3.10	3.43
4.	Motorcycles (i = 4)	0.47	0.65	0.78	0.92
5.	Trailers (i = 5)	0.14	0.28	0.33	0.37
6.	Tractors (i = 6)	0.18	0.33	0.47	0.60
7.	Tractor trailers (i = 7)	0.10	0.14	0.18	0.23
8.	Trams, trolleybuses (i = 8)	0.92	1.62	1.85	2.08

Notes.

1. Index **i** — kind of the vehicle.
2. Index **j** — duration of the contract.