

Appendix C MOLDOVA Comments on new MPTL Law

Article	Description	Comments
2	Definitions	The definition of a victim excludes the insured. With MTPL there are circumstances where the insured may not be the at-fault driver of a vehicle and should be eligible for compensation.
4(a)	General principles of compulsory insurance against civil liability	The article refers to accidents caused by MTPL policyholders. It would be more accurate to refer to accidents caused by at-fault drivers (refer to comment on Article 2)
6(2)	Obligation to conclude MTPL	The article provides the owner of a vehicle with three days in which to obtain MTPL after obtaining a vehicle. It would be more appropriate to require that a vehicle cannot be used in traffic without MTPL.
6(4)	Exemptions from the requirement to hold MTPL.	The article provides that pensioners and people with disabilities do not have to hold MTPL. This is inappropriate. All vehicles used in traffic must be required to have MTPL.
7(3)	Option for insurer to be part of National Bureau when underwriting MTPL.	The optional nature of this clause would be inconsistent with international green card requirements for green card insurers.
10(7)	Conclusion of insurance contract	This article requires that MTPL insurance should be concluded prior to the expiry date of the last contract or after registration of the vehicle. Concluding MTPL should be a condition precedent for concluding MTPL.
12	Termination of insurance contract	MTPL contracts should not be able to be terminated by any party unless the registration of the vehicle is also terminated. Otherwise it is very simple for owners of vehicles to take out MTPL purely for the purpose of registration and then terminate the policy.
15(3)	Proof of payment of premium	The insurer should also be required to issue the insured with the insurance contract so that the terms and conditions are known to the insured. Suggest a standard form could be adopted which includes information about the rights to claim. This could be required to be produced to registration authorities upon registration as a check that insurers actually provide the policy conditions to insureds.
18	Exclusions	There are a wide variety of exclusions which should be reconsidered, in particular b, c, d, f, g, h, i, and k.

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		These exclusions are out of step with what applies in other countries. An exclusion for event related to terrorism should be included.
18(1)(1)	Deductible	It appears that insurers are allowed to use a deductible in MTPL. Deductibles are generally used to reduce the risk that after taking out insurance, a person may become more careless with their actions. However, in the case of MTPL, compensation is not paid to the policyholder, but rather to third parties. It is not fair that an innocent third party misses out on compensation because of a deductible applying to the policyholder.
18(2)	Compensation not available to passengers in the at-fault drivers vehicle.	This is inconsistent with European Union Directives and is very harsh. All passengers should be entitled to compensation.
19	Obligations of the insured	Those involved in an accident should also be obliged to provide details of the accident to the insurer. 48 hours is a very short period for notification, policyholders should not be subject to regress action for failure to notify during a prescribed period (for example, the policyholder may be injured and in hospital and unable to notify the insurer within 48 hours). You may wish to consider using the EU accident notification form for this purpose. The victim should be able to lodge a claim directly with the insurer.
22(2)	An insurer cannot settle a claim with a person who is related to the insured	It is not clear whether this means that in these circumstances a claim has to be settled in a court. However, if this is the case, this is inappropriate, timely and expensive. Any type of claim should be capable of being settled out of court.
26	Damage or destruction of buildings	Compensation should be based on the cost of repair rather than the value of the property in the real estate market.
28	Payment of compensation	The time limits imposed in this article are unlikely to be effective in speeding up the resolution of claims. Insurers can easily delay payment by saying that they require more details – and these requests may be unreasonable. An alternative would be to reverse the onus of proof, so that the information that must be provided is included in a standard form and the insurer must either

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		pay the claim or dispute it on the basis of this information within a prescribed period.
29	Regress action	Should also enable regress action against people who were accomplices to a person committing an illegal act.
39	Control over compulsory requirement to hold MTPL	The registration of a vehicle should be revoked if a policy is cancelled and no new policy is issued.
40	Sanctions	The only sanction available over an insurance company that fails to comply with the requirements of the TPL is to appeal to the Licensing Chamber for the license of the insurer to be revoked. This does not provide the Inspectorate with appropriate powers to enforce the Law. Other powers, including very substantial fines for breaches of the Law by insurers should be provided for in the Law.
41	Cancellation of license to issue MTPL	There are no provisions to enable the Inspectorate to supervise the run-off of claims of an insurer whose license has been revoked.