

Extract
from the law of the Azerbaijan Republic
on mandatory insurance of civil liability of the owners
of transport facilities

1. The mandatory insurance of civil liability of the owners of transport facilities shall be provided according to the law on mandatory insurance of civil liability of the owners of transport facilities in Azerbaijan Republic.
2. The mandatory insurance of civil liability shall be provided with the purpose of additional guarantee for social protection of the population, and indemnification of individual and legal persons against the damage to their property and citizens against the damage to their health as a result of traffic accidents.
3. The owner of transport facility shall be meant to be a person who owns a transport facility as a property or holds the factual possession of the transport facility thereof, or manages the transport facility thereof on lease or by power of attorney, or operates the transport facility on any other legislative basis.
4. The owners of the transport facilities are free to choose the insurer.
5. The insurance of civil liability of the owners of the transport facilities in Azerbaijan Republic shall be mandatory.
6. The cases in which damage is caused to the property or the health of the third party by the owners or drivers of transport facilities as a result of traffic accidents shall be considered as insured accidents.
7. An insurance agreement shall be concluded for one year.
8. The insurance fee shall be paid in lump sum in cash or by bank transfer by individual or legal person(s).
9. An insurance certificate shall be issued on behalf of the insured at the date of payment of the insurance fee in cash to the insurer or the entry of the corresponding amount into the bank account of the insurer thereof.
10. If the insured operates the transport facility without an accident for one year or more, a discount of 10% and 20%, respectively, from the insurance fee shall be made upon signing an insurance agreement for a new period.
11. If one or more traffic accidents take place during the validity of the insurance agreement, a markup of 10% and 20%, respectively, to the insurance fee shall be made upon signing an insurance agreement for a new period.

12. The owner of the transport facility must provide mandatory insurance for his/her civil liability for the damage to the third party as a result of use of the transport facility he/she owns or has factual possession of, or operates on any other legislative basis.

13. The owners of transport facilities shall bear responsibility for the violation of the requirements of the Law, in the order prescribed in the current legislation.

14. Whenever a traffic accident takes place, the participants must inform the insurer, with whom the respective insurance agreement is signed, and the State Traffic Police Department in charge of the area in which the accident thereof has taken place, within 3 (three) working days after the event.

15. The sum insured must be paid within 7 (seven) days upon receipt of the corresponding documents, in the amount of the damage to the property or health; however, the amount thereof shall not exceed the limits stipulated by the law on insurance.

16. Excluding the circumstances specified in Article 9 of this Law, the insurer must indemnify the third party against the losses as a result of the insured accident, irrespective of the extent of fault of the driver, in the order prescribed in this Law.

When the insurance demand is related with the personal money, securities, valuable metals or precious stones, work of arts, as well as pictures, engravings, statues, models, plans and sketches, patents for inventions, documents, books and properties in a written format of the third party.

-when insurance demand is related with the damage for the property at the ownership, use or disposal of insurant;

-when insurance demand is related with the moral damage or profit loss as well as the property interest for the insurants penalties or fines.

17. The conflicts arising from the insurance agreement of the compulsory civil responsibilities are resolved in accordance with established procedure of the legislation of Azerbaijan Republic as well as in a legal form.

18. The Insurance Agreement is put to an end in following conditions:

- in case of expiry of insurance agreement

when the insurer fulfills its obligations before the insurant

when insurance agreement considered invalid with the courts sentence

in others cases intended in the legislation of Azerbaijan Republic

Sum insured

The amount(s) of the sum insured for the mandatory insurance of civil liability of the owners of transport facilities shall be liquidated depending on the type of the respective transport facility and damage, in compliance with the table below.

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	Types of transport facilities	Amount(s) of the sum insured		
		For the damage to the property	For the damage to health and death cases	
			Per capital	Total amount of liability
1.	Personal cars	1 000	1 000	5 000
2.	Cars belonging to the legal persons	1 000	1 000	5 000
3.	Taxis	1 000	1 000	5 000
4.	Trucks	1 000	1 000	5 000
5.	Buses with 8 to 14 seats	1 000	1 000	10 000
6.	Buses with 15 to 26 seats	1 000	1 000	20 000
7.	Buses with more than 26 seats	1 000	1 000	60 000
8.	Tractors and road-building machines	1 000	1 000	2 000
9.	Trams and trolleybuses	1 000	1 000	10 000
10.	Motor scooters and motorcycles	1 000	1 000	1 600

2. In case of death and damage to the health, the sun insured shall be paid on a per capital basis, in the following percentage proportions to the insurance payment:

Death	—	100%
1 st category disability, restrictions on health under the age of 18	—	80%
2 nd category disability	—	60%
3 rd category disability	—	40%
serious damage	—	30%
light damage	—	20%