

LAW OF GEORGIA
ON COMPULSORY CIVIL LIABILITY INSURANCE FOR AN OWNER OF A MOTOR VEHICLE REGISTERED IN A FOREIGN
COUNTRY DRIVEN IN THE TERRITORY OF GEORGIA

Chapter I - General Provisions

Article 1 - Relations regulated by this Law

1. This Law regulates relations concerning compulsory civil liability insurance ('compulsory insurance') for an owner of a motor vehicle registered in a foreign country, which is driven in the territory of Georgia.
2. This Law shall apply to citizens of Georgia, and aliens and stateless persons staying in the territory of Georgia.

Article 2 - Definition of terms used herein

For the purposes of this Law, the terms used herein shall have the following meanings:

- a) motor vehicle - a mechanical vehicle (with an engine/electric motor), or a combination of coupled vehicles (including tractors, self-propelled vehicles, trailers) intended for driving on land, excluding rail vehicles;
- b) motor vehicle registered in a foreign country - a motor vehicle registered in a foreign country;
- c) owner/driver of a motor vehicle - a person who has the right to own a motor vehicle registered in a foreign country, or a person who is a legal possessor of such a vehicle;
- d) injured party (third party) - a person whose life, health and/or property has been damaged as a result of driving a motor vehicle registered in a foreign country, and who is deemed injured on the basis of liability arising from damage incurred as provided for by the legislation of Georgia, including his/her heir (successor in title/legal successor);
- e) insurer - a legal person established to carry out insurance activities, which has obtained an insurance licence (excluding life insurance) as provided for by the legislation of Georgia, and which is a member of the co-insurance system;
- f) insured event - an event of damage to the life, health and/or property of an injured party (third party) during the driving of a motor vehicle registered in a foreign country, with the participation of the said motor vehicle (including, as a result of a rolled-over motor vehicle, or due to a trailer, device or an item attached thereto, or as a result of a substance discharged from cargo, or the scattering of cargo, or cargo falling off during carriage on a motor vehicle);
- g) compulsory insurance policy (compulsory insurance agreement) (document/electronic document) - a document certifying the existence of compulsory insurance coverage and that includes the following data required for the existence of compulsory insurance: parties to the compulsory insurance, time of commencement and time of expiry of the compulsory insurance period, essential terms and conditions, insurance limits, insurance premium, procedures for insured events and for the issuance of insurance proceeds;
- h) uninsured motor vehicle - a motor vehicle registered in a foreign country, which is operated by an owner/driver without compulsory insurance coverage;
- i) insurance limit - the maximum amount of money which relates to liability as provided for by this Law for each injured person and for each insured event;
- j) insurance compensation - money payable to an injured party (third party) in accordance with the procedures and in the amount provided for by this Law;
- k) insurance premium - insurance contribution in the amount provided for by this Law;
- l) co-insurance system - a system based on an agreement concluded between all insurers participating in this type of compulsory insurance on the basis of the principles of equal distribution of insurance premiums and insurance compensation, and on the basis of the principle of joint liability, taking into account the provisions of this Law;
- m) Compulsory Insurance Centre - a non-entrepreneurial (non-commercial) legal person called Compulsory Insurance Centre ('the Centre'), a voluntary association founded by insurers participating in the co-insurance system in order to manage compulsory insurance;
- n) force majeure - hostilities, fire, explosion.

Chapter II - Conditions of Compulsory Insurance

Article 3 - General provisions

1. When a motor vehicle registered in a foreign country enters the territory of Georgia, an owner/driver of the motor vehicle registered in a foreign country is obliged to insure his/her civil liability for the motor vehicle in his/her ownership, during the full period of his/her stay in Georgia, which shall be not less than the period provided for by Article 5 of this Law. The compulsory insurance shall cover damages arising as a result of an insured event caused by the participation of the said vehicle or for reasons related to it (the naming of the owner /driver of the vehicle shall not be mandatory).
2. When a motor vehicle registered in a foreign country enters the territory of Georgia, a responsible person from the Patrol Police Department of the Ministry of Internal Affairs of Georgia, and/or from the Customs Department in the legal entity under public law called the Revenue Service within the system of the Ministry of Finance of Georgia, shall, within their scope of authority, clarify to an owner/driver of the vehicle his/her obligation to purchase compulsory insurance at the border checkpoint.
3. Compulsory insurance may be purchased in the Centre from an insurer, an insurance agent or an insurance broker, or by means of electric payment.



4. Compulsory insurance shall be effective for the period specified in the compulsory insurance policy. Furthermore, compulsory insurance shall enter into force from the moment of the payment of the insurance premium and shall expire at 24.00 hours on the day when the insurance period specified in the compulsory insurance policy expires.
5. The compulsory insurance policy provided for by this Law shall be applicable in the territory of Georgia.

Article 4 - Damage not compensated by an insurer

1. Pursuant to this Law an insurer shall not compensate the following:
- a) damage caused during the conduct of a competition, or testing, or training using a vehicle in a specially designated area;
 - b) damage caused by the intentional action of the injured person;
 - c) damage as a result of force majeure;
 - d) damage caused by nuclear energy, or the carriage of any substance related thereto, and/or other dangerous goods;
 - e) damage caused by military operations, military manoeuvres or a military coup, or by a terrorist act.
2. Damage referred to in paragraph (1) of this article shall be compensated in accordance with the procedures provided for by the legislation of Georgia.

Article 5 - Amount of insurance premium in accordance with the period of insurance

The amount of insurance premium based on the category of a vehicle and in accordance with the period of insurance shall be:

- a) for a motorcycle with a working volume of engine of more than 50 cm³: 15 days - GEL 20, 30 days - GEL 35, 90 days - GEL 70, 1 year - GEL 215;
- b) for a car with a maximum authorised mass of not more than 3 500 kg and with not more than eight passenger seats (excluding the driver's seat): 15 days - GEL 30, 30 days - GEL 50, 90 days - GEL 90, 1 year - GEL 295;
- c) for a bus with more than eight passenger seats (excluding the driver's seat): 15 days - GEL 45, 30 days - GEL 75, 90 days - GEL 140, 1 year - GEL 480;
- d) for a lorry with a maximum authorised mass of more than 3 500 kg: 15 days - GEL 60, 30 days - GEL 100, 90 days - GEL 170, 1 year - GEL 610;
- e) for a trailer: 15 days - GEL 14, 30 days - GEL 25, 90 days - GEL 40, 1 year - GEL 145;
- f) for an agricultural vehicle and a specialised self-propelled vehicle: 15 days - GEL 25, 30 days - GEL 45, 90 days - GEL 70, 1 year - GEL 250.

Article 6 - Insurance limit for damage to the life and health of an injured party

1. The insurance limit for damage to health, capabilities or life of each injured party during the validity of the compulsory insurance policy shall be GEL 30 000, and the total limit of insurance compensation per each insured event shall be GEL 300 000.
2. The insurance limit for each injured party pursuant to paragraph (1) of this article shall be defined for the following cases and in the following amount:
- a) the maximum amount of insurance compensation payable for providing medical treatment because of damage to health shall be GEL 15 000;
 - b) the maximum amount of insurance compensation payable for the limitation of capabilities or due to death shall be GEL 30 000.
3. In the case provided for by paragraph 2(b) of this article, the damage shall be compensated in the following percentage amount:
- a) in the case of the death of an injured party - 100 %;
 - b) in the case of the limitation of capabilities of the injured party according to limitation categories:
 - b.a) severe limitation of capabilities - 100 %;
 - b.a) significant limitation of capabilities - 60%;
 - b.c) moderate limitation of capabilities - 30%.
4. If an injured party has limited capabilities, or the category of limitation of capabilities is raised, or he/she dies as a result of the insured event within a year from the payment of the insurance compensation, the Centre is obliged to pay insurance compensation in the amount determined by paragraph (3) of this article, which shall not exceed the difference between the insurance limit referred to in paragraph 2(b) of this article and the insurance compensation which has been paid. Furthermore, the amount of insurance compensation payable in the case of a raised category of limitation of capabilities shall be the amount which is equal to the difference between the raised category and the previous category of limitation.
5. To obtain insurance compensation as provided for by paragraph (4) of this article, an injured party shall submit respective documentation (except for a document certifying inheritance) to the Centre within not later than 45 calendar days from the date of the raising to a new category of limitation of capabilities, or from the fact of the death of the injured party. In the case of the failure to comply with this obligation, the insurers shall be exempt from the obligation to pay insurance compensation.
6. If the total of damage to life and health of several injured parties arising out of a single insured event exceeds the total limit of insurance compensation provided for by paragraph (1) of this article, the insurance compensation shall be paid pro rata per injured party.
7. If an injured party has voluntary insurance coverage of life or health, and the payment of compensation for damage as a result of the insured event is made, the compulsory insurance provided for by this Law shall apply first.

Article 7 - Insurance limit for damage to the property of an injured party

1. The insurance limit for damage to the property of each injured party as a result of each insured event within the validity of the compulsory insurance policy shall be GEL 25 000, and the total compensation limit per insured event shall not exceed GEL 50 000.
2. Damage to the property of an injured party shall be:



- a) damage to or the destruction of a vehicle owned by an injured party;
 - b) damage to or the destruction of a road surface, non-building structure of a road, and of a building and/or a construction;
 - c) damage to or the destruction of personal belongings or other property of an injured party.
3. The volume of damage to the property of an injured party shall be determined based on the following:
- a) in the case of damage to immovable or movable property - the cost of repairing/restoring (of recovering from the condition which existed on the day when the insured event occurred) the damaged part of the property;
 - b) in the case of the complete destruction of immovable property (total loss) – the actual cost of restoring the immovable property from the day of the insured event, less the value of marketable waste materials;
 - c) in the case of the complete destruction of movable property (total loss) – the actual market value of the movable property less the value of marketable waste materials suitable for further use (whole materials), or the cost of the replacement of the movable property.
4. If the actual cost of repairing or restoring the damaged property is equal to or more than 70% of the market value of the said property, it shall be deemed a complete destruction of property (total loss).
5. If an owner/driver of a motor vehicle has voluntary insurance of his/her civil liability, or an injured party has voluntary insurance of a motor vehicle or other property, the compulsory insurance provided for by this Law shall apply first, when the compensation for damage as a result of an insured event is made.
6. If the parties fail to reach agreement on the volume of damage, each party shall have the right to address an independent expert to make an examination to determine the volume of damage. Expenses relating to the independent expert examination shall be borne by the party concerned. If the parties still fail to reach agreement, the matter shall be resolved in accordance with the legislation of Georgia.
7. After the occurrence of an insured event, before the volume of damage to property is determined, an injured party shall be entitled to repair the damaged property only with the prior written approval of the Centre, except where the repairing of the damaged property is necessary to avoid further damage.
8. If an injured party fails to fulfil the obligation determined by paragraph (7) of this article, the Centre shall be entitled to refuse to pay the insurance compensation.
9. If the total damage to the property of several injured parties arising out of a single insured event exceeds the total limit of insurance compensation provided for by paragraph (1) of this article, the insurance compensation shall be paid on a pro rata basis, for each injured party.

Article 8 - Obligation to report an insured event

- 1. In the case of a traffic accident, an owner/driver of a vehicle is obliged to, and an injured party (his/her representative) is entitled to, immediately report the accident to the legal entity under public law called '112' under the Ministry of Internal Affairs of Georgia, and the Centre, and to stay at the scene of the traffic accident, and to wait for the arrival of an authorised person, unless there is an urgent necessity for the owner/driver of the vehicle to visit a medical institution, or it is necessary to bring an injured person to a medical institution.
- 2. An injured party is obliged to address the Centre/insurer in writing with a request to obtain insurance compensation within 60 calendar days following the insured event, and shall submit all necessary documents relating to the occurrence of the insured event and all relevant circumstances, for the payment of insurance compensation.
- 3. If the traffic accident becomes the subject of court litigation, or investigation and/or expert examination, the period defined under paragraph (2) of this article shall be suspended until the appropriate procedures have been completed.
- 4. If an injured party claims damages from an owner/driver of the motor vehicle, the owner/driver shall notify the Centre thereof without undue delay pursuant to the requirements of this article. The said notification shall be equal to the obligation to notify the injured party set forth in paragraph (2) of this article. Furthermore, the injured party shall submit all documents to the Centre that are required for the payment of the insurance compensation.
- 5. Where an injured party fails to meet the deadlines set forth in this article, the Centre shall be exempt from the liability to pay the insurance compensation.

Article 9 - Insurance compensation

- 1. Damage to an injured party shall be compensated by the Centre within the scope of authority delegated by the insurers.
- 2. The Centre shall compensate for damage to an injured party in the case of the existence of the respective compulsory insurance policy, or where the injured party incurs damage caused by an uninsured motor vehicle. Moreover, damage caused by an uninsured motor vehicle shall be subject to compensation under the terms and conditions established for the payment of insurance compensation (notification of the insured event and its regulation, insurance compensation insurance limits, insurance periods, etc.).
- 3. To pay the insurance compensation the Centre shall, within the scope of authority delegated by the insurers, regulate the insured event (and provide an assessment of damage where necessary) through the employees of the Centre and/or through specially recruited personnel (including the employees of an insurer). A decision on the compensation for damage shall be made within a reasonable period after the receipt of the respective documentation, and such reasonable period shall not exceed 30 days.
- 4. Within the authority granted on the basis of the co-insurance agreement and the insurance limits set forth in this Law, the Centre shall pay-out insurance compensation to an injured party not later than within 15 days after the signature of the agreement on the insurance amount by the parties, or shall refuse to pay-out the insurance amount, on reasonable grounds, within not later than 10 working days after the receipt of all required documents.
- 5. If the time limit referred to in paragraph (3) of this article is not complied with, the Centre shall pay a penalty of 0.1 % of the



amount payable to an injured party per each day overdue.

6. Within the period of validity of this Law, the maximum total amounts of liabilities of insurers towards an injured party (ies) arising from an event with an uninsured motor vehicle shall be the total of 10% of the insurance premium gained by the insurers and of GEL 500 000, which is the amount of liability determined on a one-off basis for the above purpose. Furthermore, to calculate the maximum total of the amounts of liabilities, the total amounts payable by the Centre to an injured party (ies) shall be reduced by the amount of recourse payments received from an uninsured motor vehicle.

7. The Centre shall be exempt from the obligation to pay the penalty set forth in paragraph (5) of this article, if the violation of the time limit for payment of compensation for damage is caused by the shortage of financial resources referred to in paragraph (6) of this article. However, the Centre shall make a payment without any undue delay after the requirements set forth in paragraph (6) of this article are met.

8. The Centre shall pay insurance compensation from its own, specially selected and separate account, the average balance of which during the month shall be at least GEL 400 000. The financial resources on the account shall be accumulated by insurers. Moreover, any means of security and provisional measures provided for by the legislation of Georgia shall not be applicable to such account.

9. If the volume of damage sustained by an injured party exceeds the amount of the insurance limit set forth by this Law, the injured party shall be entitled to additionally claim damages pursuant to the legislation of Georgia from the party who is directly liable to pay compensation for damage.

Article 10 - Procedure of recourse

1. After the payment of insurance compensation to an injured party, the Centre shall claim damages from the person responsible for the damage in question on the basis of a procedure of recourse, in the following cases, where:

- a) an injured person was damaged intentionally;
- b) a motor vehicle was driven under the influence of alcoholic, or toxic or psychotropic medicines or drugs;
- c) a motor vehicle was driven without a driving licence;
- d) a motor vehicle was driven illegally;
- e) a motor vehicle was driven without insurance.

2. The Centre shall equally distribute recourse funds received in accordance with paragraph (1) of this article among the insurers who participated in the pay-out of compensation for damage during the payment of the insurance compensation.

3. The claim of recourse shall not exceed the paid out insurance compensation.

Article 11 - Carrying out of compulsory insurance

1. Insurance companies willing to participate in this type of compulsory insurance activities are obliged to inform the legal entity under public law called Insurance State Supervision Service of Georgia, and to join a co-insurance system and state their consent with regard to the terms and conditions of co-insurance in writing.

2. When an insurer starts operating in this type of insurance activities, the insurer shall have:

- a) during three months of direct insurance activities - a total premium of not less than GEL 200 000 accrued from the insurance of land vehicles (except for rail vehicles) and from civil liability insurance related to the use of land vehicles, or an insurance premium of not less than GEL 2 500 000 accrued from direct insurance activities;
- b) during six months of direct insurance activities - a total premium of not less than GEL 400 000 accrued from the insurance of land vehicles (except for rail vehicles) and from civil liability insurance related to the use of land vehicles, or an insurance premium of not less than GEL 5 000 000 accrued from direct insurance activities;
- c) during each 12 months of direct insurance activities - a total premium of not less than GEL 800 000 accrued from the insurance of land vehicles (except for rail vehicles) and from civil liability insurance related to the use of land vehicles, or an insurance premium of not less than GEL 10 000 000 accrued from direct insurance activities.

3. The premium accrued within the scope of this Law shall not be considered for the purposes of calculating the accrued premium referred to in paragraph (2) of this article, and the reporting period shall start as of the first day of the month of the commencement of this type of compulsory insurance activities by an insurer.

4. Compliance with the requirements set forth by paragraph (2) of this article shall be controlled by the Insurance State Supervision Service of Georgia. Moreover, the Insurance State Supervision Service of Georgia shall not allow an insurer to participate in this type of compulsory insurance activities if the fact of violation of the said requirements is revealed.

5. The grounds for restoring the right of an insurance company to participate in this type of compulsory insurance activities shall be a written approval issued by the Insurance State Supervision Service of Georgia with regard to compliance with one of the following requirements:

- a) during three months of direct insurance activities, the insurance company shall have a total premium of not less than GEL 200 000 accrued from the insurance of land vehicles (except for rail vehicles) and from civil liability insurance related to the use of land vehicles, or an insurance premium of not less than GEL 2 500 000 accrued from direct insurance activities;
- b) during six months of direct insurance activities, the insurance company shall have a total premium of not less than GEL 400 000 accrued from the insurance of land vehicles (except for rail vehicles) and from civil liability insurance related to the use of land vehicles, or an insurance premium of not less than GEL 5 000 000 accrued from direct insurance activities;
- c) during the previous 12 months of direct insurance activities, the insurance company shall have a total premium of not less than GEL 800 000 accrued from the insurance of land vehicles (except for rail vehicles) and from civil liability insurance related to the use of land vehicles, or an insurance premium of not less than GEL 10 000 000 accrued from direct insurance activities.

6. The premium accrued within the scope of this Law shall not be considered for the purposes of calculating the accrued premium



referred to in paragraph (5) of this article.

7. During the issuance of a written approval provided for by paragraph (5) of this article by the Insurance State Supervision Service of Georgia, sub-paragraphs a) - c) of paragraph (5) of this article shall be taken into account where there are grounds to not allow an insurer to participate in this type of compulsory insurance activities as provided for by paragraph (2) of this article.

8. In the case of the restoration of the right of an insurance company to participate in compulsory insurance activities as set forth in paragraph (5) of this article, the requirements provided for by paragraph (2) of this article shall apply to the insurance company.

9. In the case of the restoration of the right of an insurance company to participate in compulsory insurance activities as set forth by Article 12 (7) of this Law, the requirements provided for by paragraph (2) and paragraph (5)(b) of this article shall apply to the insurance company.

10. The source of financing of the Centre shall be the contributions made by insurers.

11. A co-insurance agreement, the execution of which shall be ensured by the Centre, shall comprise:

a) procedures for the administration of a co-insurance system;

b) procedures for the establishment and administration of the unified electronic database of the compulsory insurance;

c) procedures for the establishment and operation of the unified phone number (a hot line) and for the registration of insured events;

d) procedures for the sale of a compulsory insurance policy, administration of sales and for the regulation of insured events;

e) principles of equal distribution of insurance premiums accrued within the scope of this Law and of compensation for damage, the regulation of insured events (including the assessment of damage), and the principles of the payment of insurance compensation on the basis of applications related to insured events and within the scope of authority delegated by the insurers, as well as the cases under paragraph (13) of this article;

f) procedures for the registration of traffic accidents within the scope of compulsory insurance coverage and for the notification of insurers;

g) procedures for providing continued services for the purposes of the enforcement of this Law, in particular, provisions on the sale of compulsory insurance policies in Georgia, receiving services, the filing of an application by an injured party to obtain insurance compensation, and provisions on the payment of insurance compensation;

h) procedures for the administration of claims for damages as a result of an event with an uninsured motor vehicle;

j) procedures for allowing an insurer to join and leave a co-insurance system, and for excluding an insurer from the system;

k) procedures for opening separate accounts for the payment of insurance compensation, and for the making of contributions to such accounts by insurers.

12. An insurer is obliged to ensure the receipt by all its respective branches and representations of applications related to insured events submitted by injured parties. Furthermore, the insurer is obliged to provide the respective documentation/information to the Centre within not later than five working days.

13. Insurers shall bear joint liability for the compensation of damage as a result of an insured event, pursuant to the provisions and within the limits provided for by this Law. The Centre shall provide a calculation of insurance reserves based on actuarial calculations and shall ensure its equal distribution among the insurers. An insurer shall create the reserves distributed proportionally by the Centre and register them in the balance statement of the financial reports.

14. In the case of the insolvency of an insurer, other insurers participating in the co-insurance system shall be liable for the complete fulfilment of any undertaken and overdue liabilities of the insolvent insurer. The liabilities undertaken by the insolvent insurer shall be equally shared.

15. The Centre is obliged to notify the Insurance State Supervision Service of Georgia with regard to any violation by an insurer of this Law and/or of a co-insurance agreement.

Article 12 - The Centre, its main objectives and functions

1. The Centre is a voluntary association, a non-entrepreneurial (non-commercial) legal entity, established pursuant to the procedures provided for by the legislation of Georgia for the management of this type of compulsory insurance activities by insurers participating in the co-insurance system. More than one centre shall not be allowed to carry out the management of this type of compulsory insurance activities.

2. The Centre shall be founded by an insurer who is authorised to carry out compulsory insurance activities pursuant to Article 2(e) and Article 11(1) of this Law.

3. The prohibition of carrying out compulsory insurance activities by an insurer shall entail the prohibition of participation of the insurer in the co-insurance system and his/her exclusion from the system.

4. The main objectives and functions of the Centre shall be to:

a) create and administer the unified electronic database of compulsory insurance;

b) draft, for the purposes of this Law, a common template of a compulsory insurance policy (a compulsory insurance agreement) and an application form for insured events, in agreement with the legal entity under public law called Insurance State Supervision Service of Georgia;

c) develop common procedures for carrying out compulsory insurance activities and for ensuring compliance with the obligations provided for by this Law;

d) ensure the administration of the sale of compulsory insurance policies, and the timely conduct of the processing of claims settlement and of the payment of insurance compensation.

5. In the case of any violation by an insurer of this Law, or the provisions of the charter of the Centre, the Centre is obliged to report same to the legal entity under public law called Insurance State Supervision Service of Georgia.

6. In the case provided for paragraph (5) of this article, or if the founder of the Centre (the insurer) fails to fulfil the provisions of



this Law properly, or in the case of any violation thereof, the legal entity under public law called Insurance State Supervision Service of Georgia shall be entitled to implement measures as provided for by the Law of Georgia on Insurance.

7. If an insurer leaves the Centre or is excluded from the Centre, this shall cause the termination of the insurer's activities in the field of this type of compulsory insurance. The grounds for restoring the right to carry out this type compulsory insurance activities shall be the elimination of the grounds for which the insurer left the Centre, or the elimination of the circumstances that caused the exclusion of the insurer from the Centre.

8. The liquidation or reorganisation of the Centre shall be carried out pursuant to procedures under the legislative and subordinate normative acts of Georgia, and based on approval issued by the legal entity under public law called Insurance State Supervision Service of Georgia.

9. The management of this type of compulsory insurance activities shall be supervised by the legal entity under public law called Insurance State Supervision Service of Georgia, for the purpose of which it shall be authorised to request appropriate information from insurers.

Article 13 - Unified electronic database of compulsory insurance

1. A unified electronic database of compulsory insurance (the electronic database) shall show all data necessary for carrying out compulsory insurance activities. The electronic database shall be created and administered by the Centre. The electronic database shall function properly and smoothly. The immediate indication of the complete data in the electronic database shall be ensured.

2. The electronic database shall include at least the following information:

- a) details of the registration of a motor vehicle (category, make, model, identification code, registration number) registered in a foreign country, immediately after entering the state border of Georgia, and the identity details of the owner/driver of the motor vehicle.
- b) data on the compulsory insurance policy (an amount and a unique number);
- c) data on the time of commencement and time of expiry of insurance coverage;
- d) data on insurance limits and on their distribution among the insurers who are members of the Centre;
- e) data on the insurance premium amount and on its distribution among the insurers who are members of the Centre;
- f) data on an insured event (the date of a traffic accident, received notifications, including the applications for the payment of insurance compensation, the identity details of an injured party, the stage and status of the regulation of the insured event, the stated payable compensation amount);
- g) data on the paid insurance compensation (the amount, date of payment, the type of damage incurred);
- h) data on the reserves of unearned insurance premiums, stated but non-settled claims, and incurred but non-stated claims as a whole, as well as according to each insurer.

3. The data indicated in the electronic database shall be kept for six years.

4. To ensure the informational security of the data in the electronic database, the Centre shall develop and execute, within the scope of this Law, an information security policy based on the legislative and subordinate normative acts of Georgia, and on international standards in this field.

5. To determine the compliance of the electronic database with the standards under paragraph (4) of this article, the Centre is obliged to provide an audited report on the informational security of the Centre to the Insurance State Supervision Service of Georgia.

Article 14 - Management bodies of the Centre

1. The management bodies of the Centre are: the meeting of insurers and the director of the Centre.

2. The meeting of insurers of the Centre shall have the following rights and obligations, to:

- a) submit the charter of the Centre to the Insurance State Supervision Service of Georgia to verify compliance with this Law, and obtain approval to make amendments to the charter of the Centre in accordance with the mentioned procedure;
- b) ensure the enforcement of Article 11(1) of this Law;
- c) review and approve the annual financial and economic plan of the Centre and define the amount of contribution to be made by an insurer to cover administrative expenses;
- d) for the purposes of verifying compliance with this Law, nominate to the Insurance State Supervision Service of Georgia a candidate for the director of the Centre and obtain consent to appoint him/her to or to release him/her from the position;
- e) approve the structure and staff list of the Centre;
- f) define, under the charter of the Centre, procedures for conducting the meeting of insurers of the Centre and for adopting resolutions;
- g) carry out other functions pursuant to the charter of the Centre that do not contravene the purposes of this Law.

3. A person shall not be appointed as a director of the Centre if:

- a) he/she has been convicted of a serious or grave crime, the financing of terrorism, and/or of the legalisation of illicit income, or of other economic crimes;
- b) he/she does not hold a document (diploma) certifying an academic degree, a qualification granted by a higher educational institution on the completion of a relevant stage of appropriate higher academic education;
- c) he/she does not have at least 5 years of professional work experience in the field of finance, including at least two years' work experience in managerial positions (at least the position of manager of a structural unit).

4. The rights and obligations of the director of the Centre shall be to:

- a) manage the Centre and lead its activities, and represent the Centre before the third parties within the scope of authority granted by a meeting of insurers of the Centre;



- b) organise and summon the meetings of insurers of the Centre;
- c) prepare an annual financial and economic plan of the Centre, introduce amendments thereto, where necessary, and submit it to the meeting of insurers of the Centre for review;
- d) control financial and economic activities, the organisational activities of the structural units of the Centre, and the performance of functions determined by the charter of the Centre, and provide legal, informational, material, and technical support;
- e) dispose of the funds of the Centre and ensure control over their proper use, and undertake responsibility for the purposeful spending of funds owned by the director of the Centre;
- f) appoint and dismiss the employees of the Centre;
- g) submit the structure and staff list of the Centre to the meeting of insurers for approval;
- h) carry out his/her functions in good faith, in particular, plan activities to be carried out by the Centre in order to carry out the sale of compulsory insurance policies, regulate claims for damage and conduct the procedure for the payment of compensation in a timely manner;
- i) fulfil other functions as determined by the charter of the Centre.

Article 15 - Provision of information and confidentiality of information

1. For the purposes of meeting the requirements provided for by this Law, the Centre shall be authorised to process data relating to the crossing of the state border of Georgia, including personal data.
2. The legal entity under public law called Service Agency of the Ministry of Internal Affairs of Georgia shall be authorised to ensure the transfer of the data referred to in paragraph (1) of this article to the Centre pursuant to the law of Georgia on 'The Fees and Time Limits for Services Provided by the Legal Entity under Public Law called the Service Agency of the Ministry of Internal Affairs of Georgia', in accordance with the procedures determined by the legislation of Georgia.
3. The Centre shall maintain the confidentiality of the processed personal data referred to in paragraph (1) of this article which have become known to it as a result of carrying out its activities.

Article 16 - Liability for driving a motor vehicle in the territory of Georgia without compulsory insurance

1. An owner/driver of a motor vehicle registered in a foreign country who drives a vehicle in the territory of Georgia without the compulsory insurance of civil liability shall be liable under administrative proceedings.
2. In order to ensure the enforcement of paragraph (1) of this article, the Centre shall ensure the provision of relevant information to the Ministry of Internal Affairs of Georgia.

Article 17 - Dispute resolution

Any dispute arising during the validity of this Law shall be reviewed in accordance with the procedures provided for by the legislation of Georgia.

Chapter III - Transitional and Final Provisions

Article 18 - Transitional provisions

1. The respective entities shall ensure the fulfilment of the requirements set forth by Article 11 and Article 12, Article 13(1-4), and Article 14 of this Law before 1 February 2018, and the fulfilment of the requirements under Article 13 (5) of this Law, before 1 December 2018.
2. Before 1 January 2019, the Government of Georgia shall ensure the drafting of appropriate legislative amendments on the compulsory insurance of civil liability of an owner of a vehicle registered in Georgia and its submittal to the Parliament of Georgia.

Article 19 - Final provisions

1. This Law, except for Article 3, Article 8, Article 9 and Article 10, Article 15(1)(2), Article 16 and Article 17 of this Law shall enter into force upon its promulgation.
2. Article 3, Article 8, Article 9 and Article 10, Article 15(1)(2), Article 16 and Article 17 of this Law shall enter into force from 1 March 2018.

President of Georgia
Kutaisi
15 December 2017
No 1775 - Ilb

Giorgi Margvelashvili

