

Regulation

“On Procedure and Criteria for Approval of Correspondents in Albania”

In compliance with the Internal Regulation and the legislation applied in the territory of Albania for insurances/ reinsurance and compulsory MTPL, Albanian Insurance Bureau provided for the following criteria for appointment of a correspondent regarding motor accidents occurred in Albania.

Article 1 - Scope

This regulation is intended to provide the rules, conditions and criteria, according to which the Albanian Insurance Bureau grants, refuses or withdraws its approval to correspondents established in the country for which it is competent with a view to handling and settling claims arising from accidents involving vehicles for which the insurer or insurers in question have issued an insurance policy and occurring in Albania.

Article 2 - Definition

“Correspondent” means each insurer or other person appointed by one or more insurers with the approval of the Bureau of the country in which the person is established with a view to handling and settling claims arising from accidents involving vehicles for which the insurer or insurers in question have issued an insurance policy and occurring in Albania.

Article 3 – Entities that can act as correspondent

The correspondent may be:

- An insurance company that meets the legal criteria according to Law No. 9267 “On Insurance and Reinsurance Companies”, Law No, 10076, date 12.02.2009 “On Obligatory Insurance in Transport Sector”, which is member of Albanian Insurance Bureau, authorized for Compulsory Motor Third Party Liability .
- A legal entity licensed by Albanian Financial Supervisory Authority in claims handling and settling as Loss Adjuster.
- A legal person/entity, concluded a fronting agreement with an insurance company, member of Albanian Bureau, in order to handle and settle claims on its behalf.

Article 4 - Procedure for Appointment of Correspondent

Only a Bureau shall have the authority, on the request of one of its members, to send to the Albanian Insurance Bureau a request for approval of a correspondent established in Albania. This request shall be sent by fax or e-mail.

The application should be accompanied by a document stating that the proposed correspondent agrees with the required approval.

The Albanian Bureau shall grant or refuse the approval within three months from date of the receipt of the request from the Bureau, of which the requesting insurer is a member.

The Bureau shall notify its decision and its effective date to the Bureau that made the request as well as to the correspondent concerned.

If no response is sent by the Albanian Bureau, approval shall be deemed to have been granted and shall take effect on the expiry of that period.

Article 5 - Criteria for Appointment of a Correspondent

The correspondent should act in accordance with the provisions of Article 3 of this regulation and comply with the rules and provisions of the I.R and of the provisions of the Albanian Compulsory Motor Third Party Liability and the applied legislation in Albania.

Article 6 - Rights and Duties of Appointed Correspondent

1. The correspondent shall handle the claims in conformity with any legal or regulatory provision applicable in Albania relating to liability, compensation or injured parties and compulsory motor insurance, in the name of the Albanian Insurance Bureau and on behalf of the insurer that requested its approval, arising out of accidents occurring in Albania involving vehicles insured by the insurer that requested its approval.
2. The correspondent is free to agree with the insurer that requested its approval the conditions for reimbursements of sums paid to injured parties and the method for calculating its handling fees in compliance with I.R.
3. When a foreign bureau is informed that one of its members has decided to dismiss a correspondent, it shall immediately so inform the Albanian Insurance Bureau. The latter shall be at liberty to determine the date on which its approval will cease to have effect.
4. When the Albanian Insurance Bureau granted the approval to a correspondent decides to withdraw it or is informed that the correspondent wishes to have its approval withdrawn, it shall immediately so inform the Bureau that forwarded the request for the approval of the

correspondent and also informs the Bureau of the dates of the correspondent's effective withdrawal or the date on which its approval will cease to have effect.

5. The correspondent should report periodically analytic and synthetic (once per three months is mandatory) to Albanian Bureau about the paid and pending damages pursuant to the request of the Albanian Insurance Bureau.

6. The correspondent should immediately and as a maximum within one week inform the Albanian Insurance Bureau with the request of the latter, regarding the handling and settling process of the claim for which the Albanian Insurance Bureau has received any complaint.

Article 7 - Rights and Duties of the Bureau

The Albanian Insurance Bureau is entitled to monitor and supervise the handling, settling and payment of damages.

The Albanian Insurance Bureau is exclusively competent to handle and settle claims in the name of the bureau and on the behalf of the insurer that requested its approval. The Albanian Insurance Bureau shall inform the injured parties of this competence and forward to the correspondent any notifications relating to such claims. However, the Albanian Insurance Bureau may at any time and without any obligation to justify its decision, take over the handling and settlement of a claim from a correspondent.

Upon receipt of notification for the motor accident, the Bureau notifies and provides the documents received to the correspondent for further handling and settling process.

The Bureau is not bound by any agreement made between insurer and correspondent.

Upon the receipt of third party complaints, The Albanian Insurance Bureau requires details regarding the handling and settling process in accordance with Internal Regulations and the Albanian Compulsory Motor Third Party Liability insurance from the correspondent.

Article 8 - Withdrawal of the nomination

Withdrawal of the nomination to a previously approved correspondent is made by the Bureau in cases of:

- failure to meet the criteria under the Article 3 of this Regulation;
- failure to meet legal provision of the Internal Regulation, Compulsory Motor Third Party Liability Insurance and the respective insurance law;
- requested by correspondent itself;

- requested by the insurer that appointed the correspondent or the Bureau of which the insurer is a member;
- in cases of suspension or withdrawal of the authorization of the insurer authorized for Compulsory Motor Third Party Liability insurance or suspension by AFSA of the license for handling and payment of claims for legal entities.

Article 9 - Special Provisions

In case of the withdrawal of previously nominated correspondent files of the damages that are being handled or have been handled and closed by the correspondent shall be completed and in case of reopening/reclaiming of the file shall continue the handling by this correspondent.

New claims arising out of the accident occurred after the date of the withdrawal of the nominated correspondent, will be handled from the Albanian Insurance Bureau in case no other correspondent is nominated.

In regards to the articles provided in this Regulation, the I.R provisions are automatically applied.

Article 10-Transitional provisions

The insurance companies already acting as correspondent will be reconfirmed in their position as correspondent and shall be notified accordingly.

The other entities already acting as correspondent will be reconfirmed in their position as correspondent after complying with the art.3 of this regulation and shall be notified accordingly.

The time limit given to them to comply with this new regulation is 6 months from the date of the approval of this regulation.

Article 11- Discordance with the Internal Regulation of the CoB

In case any provision of this regulation is in contradiction with the Internal Regulation, The Internal Regulation shall apply.

Article 12 – Date of entry into force

This Regulation will enter into force the day after the approval of the General Assembly of AIB.