

Pursuant to Article 51 paragraph 2 of the Law on Compulsory Traffic Insurance (Official Gazette of Montenegro, No 44/12 of 9 August 2012), taking into account a proposal of the Association – National Bureau of Insurers of Montenegro, at the 109th session held on 13 March 2013, the Council of the Insurance Supervision Agency adopted the

RULEBOOK ON CRITERIA FOR DETERMINING THE AMOUNT OF CONTRIBUTION TO THE GUARANTEE FUND

**(Official Gazette of Montenegro, No 14/13 of 15 March 2013, 54/13 of 22
November 2013)**

Article 1

This Rulebook governs the criteria for determining the amount of regular contribution to the Guarantee Fund paid by insurance companies who are members of the Association – National Bureau of Insurers of Montenegro and deadlines for payment of contributions.

Article 2

The regular contribution for establishment of required funds of the Guarantee Fund shall be calculated by multiplying the amount of the gross written premium of compulsory traffic insurances in the previous year and the defined rate.

The rate for the regular contribution to the Guarantee Fund shall be determined on aggregate level for the compulsory insurance of passengers in transport, compulsory automobile liability insurance and third party liability insurance of owner or user of vessels, by dividing a three-year average amount of paid claims and operating costs of the Guarantee Fund by a three-year average of the gross written premium for the compulsory traffic insurance.

The rate for the regular contribution to the Guarantee Fund for the compulsory third party liability insurance of owner or user of aircraft shall be determined as 1/10 of the rate determined in accordance with paragraph 2 of this Article.

A projection of paid claims and operating costs of the Guarantee Fund and of the gross written premium for the compulsory traffic insurance for the current year shall be determined by increasing the amount of paid claims and operating costs of the Guarantee Fund and of the gross written premium for the compulsory traffic insurance for eleven months of the current year by one-eleventh of the amount corresponding to eleven months of the current year.

Determined amount of required funds of the Guarantee Fund for the next year established in accordance with paragraphs 1, 2, and 3 of this Article may be adjusted (increased or decreased) depending on:

1. Estimate of expected increase or decrease in number and amount of claims in the next year to be charged to the Guarantee Fund funds;

2. Number and amount of outstanding claims at the end of the previous year; and
3. Schedule on increase in promptness of claims compensation from the Guarantee Fund funds, depending on the planned reduction in number and amount of outstanding claims in the next year if compared to the previous year.

Article 3

The obligation pertaining to the regular contribution to the Guarantee Fund shall be established for each insurance company separately commensurate to their share in the gross written premium of compulsory traffic insurance generated in the previous year.

Article 4

For companies that have obtained a license to pursue compulsory traffic insurance activities in the current year, the contribution shall be calculated by applying the rate referred to in paragraph 2 Article 2 of this Rulebook to the expected revenues from the compulsory traffic insurances premiums as stated in the business plan referred to in Article 31 of the Insurance Law.

Article 5

If the Guarantee Fund funds resulting from the regular contribution are insufficient to cover liabilities covered by the Guarantee Fund, missing funds shall be provided from an additional contribution established in the manner and in line with the procedure established for the regular contribution to the Guarantee Fund.

Article 6

Payment of the contribution to the Guarantee Fund shall be made monthly until the 20th in the month for the previous month.

Article 7

As of the day this Rulebook enters into force, a decision of the Agency on issuing consent to the Rulebook on Criteria for Determining the Amount of Contribution to the Guarantee Fund number 02-377/2-12 of 16 May 2012 shall be rescinded and the Rulebook on Criteria for Determining the Amount of Contribution to the Guarantee Fund number 1013 of 18 April 2012 shall cease to have effect.

Article 9

This Rulebook shall enter into force on the day of its publication in the Official Gazette of Montenegro.

Number: 01-201/4-13
Podgorica, 13 March 2013

President of the Council
Branko Vujović, m.p.

NOTE:

The consolidate text of the Rulebook does not include the following provisions of the Rulebook Amending and Supplementing the Rulebook on Criteria for Determining the Amount of Contribution to the Guarantee Fund (*Official Gazette of Montenegro, No 54/13 of 22 November 2013*):

“Article 2

This Rulebook shall enter into force on the day of its adoption and shall be published in the “Official Gazette of Montenegro”.

Number: 01-1141/4-13

Podgorica, 18 November 2013

The Insurance Supervision Agency

President of the Council

Branko Vujović, m.p.”