

**Ordinance No. 24 of 08.03.2006 on the Compulsory Insurance Pursuant to Items 1 and 2 of
Article 249 of the Insurance Code and on the Procedure of Settlement of Claims for
Compensation of Damages Caused to Motor Vehicles**

**Section I
General Dispositions**

Article 1. (1) This Ordinance shall provide the procedure and conditions for compulsory third party and accident insurance of passengers, the procedure of accounting thereof, as well as the conditions and procedure for border insurance against civil liability insurance of motorists. For the purposes of this Ordinance “motorists” shall mean the owners, users, holders and drivers of motor vehicles.

(2) This Ordinance shall also introduce a standard numbering and shall provide for the minimum content of the insurance policies referred to in Paragraph (1).

(3) This Ordinance hereby introduces a standard procedure for settlement of claims for compensation of damages caused by motor vehicles.

Article 2. (1) Compulsory insurance against civil liability of motorists shall be concluded only by insurers licensed to practice the activity referred to in Item 10.1 of Division II (A) of Annex No. 1 to the Insurance Code.

(2) Contracts for compulsory insurance against accidents of passengers shall be concluded only by insurers licensed to practice the activity referred to in Item 1 of Division II (A) of Annex No. 1 to the Insurance Code..

(3) Compulsory insurance against civil liability of motorists and compulsory insurance against accidents of passengers shall be concluded only under the conditions provided by this Ordinance, except in the cases where they provide more favorable conditions to the consumers.

**Section II
Compulsory Third Party Insurance of Motorists**

Article 3. (1) In addition to the prerequisites referred to in Article 184, Items 2, 3, 4, 5, 6, 8, 9, 10 of Paragraph (3) and Paragraph (5) of the Insurance Code, an insurance policy shall also contain the:

1. business name of the insurer;
2. registered office and address of the place of management, insurers from third countries operating through a branch in the Republic of Bulgaria also quoting the address of the place of management of the insurer in the said third country and of the branch in the Republic of Bulgaria;
3. number of the act of the competent authority whereby the license for engaging in insurance is issued, insurers from third countries practicing through a branch in the Republic of Bulgaria also quoting the number of the act of the competent authority according to the registered office of the insurer in the third country and the competent authority in the Republic of Bulgaria;
4. number under BULSTAT for insurers with a registered office in the Republic of Bulgaria, respectively registration number in a commercial or another similar register for insurers with registered offices in a member-state or a third country;
5. name and address, respectively business name, registered office, address of the place of management and number under BULSTAT of the owner of the motor vehicle;
6. name and address of the usual driver or holder of the motor vehicle when different from the owner thereof;
7. type, make, registration number of the motor vehicle and chassis number;
8. number referred to in the procedure of Article 26 (2).

(2) In case of rescheduling of the insurance premium the date of maturity and the precise amount of each rescheduled payment shall be entered in the policy.

(4) In the case of acquisition of a new motor vehicle, import of motor vehicle or putting a temporarily suspended vehicle into operation, the insurance policy shall be concluded prior to the registration of the motor vehicle by the competent authorities of the Interior Ministry with only the

number of the motor vehicle chassis being entered in the policy. Following the reception of the registry plate from the competent authorities of the Interior Ministry the insured party shall be obligated to declare said circumstance in writing before the insurer within seven days following the reception thereof.

Article 4. The maximum amount of liability of the insurer shall be determined according to the sum of the insurance amount in force by the date of onset of the insured event, except in the cases where the amount entered in the insurance policy is higher.

Article 5. (1) The insurer shall supply the person that has concluded the compulsory insurance with a sign issued by the Guarantee Fund referred to in Article 287 of the Insurance Code. The said person shall be obligated to place the sign on the windshield of the motor vehicle on the side of the driver in a manner that shall allow good visibility.

(2) The sign referred to in Paragraph (1) shall contain the registered trademark of the Guarantee Fund, a unique number and the date on which the insurance expires. The form and graphic security of the sign shall be determined by the Council of the Fund.

(3) The sign referred to in Paragraph (1) shall be manufactured in such a way as to be disposable. In the case of rescheduled payments of the premium the sign referred to in Paragraph (1) shall also certify to the term for which the insurance premium has been paid.

(4) The Guarantee Fund shall maintain a register of the issued, destroyed, lost or stolen signs.

(5) In the case of loss, theft or destruction of the sign referred to in Paragraph (1) the insurer, at the request of the owner, user, holder or driver of the motor vehicle, shall provide a new sign, which shall be valid until the expiry of the insurance term.

(6) The Guarantee Fund shall commission the printing of the sign referred to in Paragraph (1) to a contractor determined by the Council of the Fund.

(7) The insurer shall declare in writing before the Guarantee Fund the number of signs pursuant to Paragraph (1) he needs.

(8) The insurer shall pay for the number of signs ordered as referred to in Paragraph (1) in accordance with the price established in the contract between the Guarantee Fund and the contractor referred to in Paragraph (6). The payment shall be made to an account of the contractor.

(9) The insurer shall receive from the Guarantee Fund the ordered number of sign referred to in Paragraph (1) following the submission of a document certifying the payment referred to in Paragraph (8). The Guarantee Fund shall refuse execution of the order of an insurer that has not paid for the number of signs referred to in Paragraph (1) said insurer has ordered.

Article 6. The Financial Supervision Commission shall, by a motion of the Guarantee Fund Management Board, issue instructions as regards the procedure and conditions for the issue, printing and administration of the sign referred to in Article 5.

Article 7. (1) The sign referred to in Paragraph (5) shall constitute a self-adhesive label with three sections, respectively No. 1, No. 2 and No. 3 carrying an identical number and a control slip, with:

1. section No. 1 of the label being attached to the windshield of the motor vehicle on the side of the driver so that good visibility shall be insured;

2. section No. 2 of the label being attached on the copy of the insurance policy, which is accounted and stored with the insurers;

3. section No. 3 of the label being attached on the control slip at the designated place.

(2) The driver of the motor vehicle shall be obligated to carry the control slip at all times and to provide it together with the insurance policy on the occasion of checks by the control authorities.

(3) An erroneously filled in or erroneously perforated sign, or a sign with damaged integrity shall be annulled and shall be substituted for a new one. The annulment and the substitution shall be made by the insurer.

(4) The number of a lost or stolen sign shall be proclaimed invalid in one national daily by the insurer that has provided it. By the 15th day of each month the insurers shall provide the Guarantee Fund with information about the lost, stolen and destroyed signs for the preceding month.

(5) When a motor vehicle technologically is not equipped with a windshield and it is impossible for section No. 1 of the sign to be attached in the place indicated in Article 5 (1) the same section shall

be attached to the insurance policy carried by the driver of the motor vehicle and in the case of inspection shall be presented together with the control slip.

Article 8. Upon the onset of an insurance event at which damages have been caused to third parties the insured shall be obligated to notify thereof the insurer in writing within seven days, as well as to fulfill his relevant obligations as referred to in Article 270 of the Insurance Code. The notification may also be made by the party that has sustained damage.

Article 9. (1) The onset of an insurance event on the compulsory third party civil liability insurance of motorists shall be proven by the respective documents referred to in the Road Traffic Act, the Regulations on the Application of the Road Traffic Act and the other subordinate statutory instruments on its application, as well as by another document issued by the authorities of the Interior Ministry or the judiciary.

(2) The insurer shall be obligated to accept and register each notification of an insurance event, as well as all documents certifying the grounds for the claim and the extent of the damage.

Article 10. The insured shall be obligated to notify the insurer of a claim filed against him in relation to his third party liability within seven days before the first court hearing on the case. The notification shall contain information about the date, year and number of the case, before which court it is scheduled, as well as the amount of the claim. The insured shall be obligated to request inclusion of the insurer in the trial.

Article 11. In the cases where the third party liability of the insured is determined by the judicial authorities, following the enforcement of the verdict or judgment, the rightful claimants shall mandatorily present the insurer with an attested copy of the enforced acts of court together with the motives and a writ of execution in the original.

Article 12. Agreements concluded between the insured and third parties that have sustained damage as regards the amount of compensation shall instigate an obligation for the insurer only in case they have been approved thereby or have been concluded with the knowledge and agreement of a representative as referred to in Article 224 (3) of the Insurance Code. Agreements reached between the parties to penal cases concerning the amount of compensations on civil claims shall also be considered accords.

Article 13. Claims of injured parties for damages caused on the territory of the Republic of Bulgaria by a driver of a motor vehicle normally based in a territory outside the Republic of Bulgaria, insured by the procedure of the international agreements to which the Republic of Bulgaria is party, shall be settled by a procedure determined by the National Bureau of Bulgarian Motor Insurers in accordance with the acting international agreements and practice.

Article 14. (1) Damages caused by a trailer connected to a motor vehicle and functionally dependent on the motor vehicle while in motion, and/or when it has become detached in the course of motion, shall be covered by the insurer on the compulsory third party civil liability related to the ownership and use of the trailer.

(2) Damages caused by a trailer, which is not connected to a motor vehicle and is not functionally dependent on the motor vehicle, has not been in motion, as well as in the case of self-induced motion, shall be covered by the insurer on the compulsory third party civil liability related to the ownership and use of the trailer.

Article 15. (1) In the case of material damage the compensation on third party liability of motorists shall be determined by the insurer of the offending insured.

(2) In the case of partial damage or complete destruction of property the compensation may not exceed the actual value of the damaged property.

(3) The actual value of damaged property shall be determined by an expert commission of the insurer and may not be larger than the market value thereof by the day of onset of the event.

(4) Compensation for damages to motor vehicles shall be determined by the methodology for settlement of damages caused by motor vehicles pursuant to Attachments Nos. 1-6.

(5) The insurer shall also cover the necessary and expedient costs for salvation of damaged property, including transportation costs, as well as those for loading and unloading works within the insurance sum.

Article 16. (1) In the case of death or bodily injury of third parties the compensation shall be determined by an insurance expert commission with the insurer of the offending driver or by judicial proceedings.

(2) The insurer shall appoint the commission referred to in Paragraph (1) and the procedure and manner of its functioning. Where necessary to prove the event or at determining the extent of the damage depending on the character of the injuries the commission may also refer to other specialists.

Article 17. (1) The following shall be submitted to attest to the onset of a road traffic accident:

1. an original of a protocol of a road traffic accident, a memorandum of ascertainment or a certificate prepared by the authorities of the Interior Ministry, or
2. an attested copy of an enforced verdict with motives, and in the cases of judicially approved agreement – materials from the investigation case, attested copies of an indictment, minutes of questioning of witnesses, expert opinions, or
3. an attested copy of an enforced penalty decree or a certificate issued by the authorities of the Interior Ministry.

(2) The following shall be presented for establishment of the grounds and the amount of the claim filed:

1. evidence that the damaging insured has a third party civil liability insurance for motorists in the cases when the documents referred to in Paragraph (1) do not contain data thereof and the insurer cannot establish said circumstance officially.
2. memorandum of review by insurer in the case where such is conducted in relation to a claim on insurance of the damaged property;
3. photographic evidence recording the damages;
4. documents attesting to repairs made to the damaged property;
5. medical and other documents – expert opinions, medical statements, certificates, epicrises, anamnesis, records from medical consultative commissions (MCC) or territorial expert medical commissions (TEMC);
6. an attested copy of a death certificate, a certificate of inheritance in the original and writs of execution in the original.

(3) The evidence referred to in Items 1 or 3 of Paragraph (1) shall be submitted when the circumstances in relation to the onset of the road traffic accident and the fault of the insured person are the subject of a court trial and the other evidence for the certification thereof is insufficient.

(3) For determining the compensation the insurer shall also be entitled to request other documents necessary for establishing the circumstances for the occurrence of the road traffic accident, the grounds for payment and the amount of damage.

(4) At the filing of the claim the insurer shall inform in detail the person who has filed the claim as regards the circumstances that have to be established, as well as regards the evidence for the establishment thereof. The request of additional evidence shall be in compliance with Article 105 (3) or (4) of the Insurance Code

Article 18. (1) Compensation on the compulsory third party civil liability insurance of motorists shall be determined and paid by the insurer within 15 days after the insured or the injured third parties have presented all required documents related to establishment of the event and the amount of the damage, but not later than three months after the date on which the claim under the insurance has been filed.

(2) When within the time-limits referred to in Paragraph (1) it is established that there are no grounds for payment of compensation or that the amount of compensation is smaller than the amount claimed by the injured party, or that the grounds and the amount of the damage were not fully established, the insurer shall be obligated to provide the injured person with a written motivated opinion. In case there are no grounds for refusal of payment but certain circumstances have not been established, the insurer shall be obligated to quote these together with the evidential means for the establishment thereof in abidance with the provisions of Article 105 of the Insurance Code.

Section III

Compulsory Passenger Accident Insurance

Article 19. (1) Transportation agents engaged in public transport of passengers with starting point and final point of arrival in the territory of the Republic of Bulgaria shall conclude a compulsory passenger accident insurance at the inception of insurance interest. Inception of insurance interest shall be valid from the date of reception of license to engage in public transport or from the date of expiry of insurance contract concluded for this particular insurance.

(2) The contract for compulsory accident insurance referred to in Paragraph (1) shall be concluded for a term not shorter than one year.

(3) The requirement referred to in Paragraph (1) shall also pertain to transportation agents whose means of public transport have been suspended from operation by the respective state authorities, as well as to those put into operation with the permission of the same authorities.

Article 20. In addition to the requirements under Article 184, Items 2, 3, 4, 5, 6, 8, 9, 10 of Paragraph (3) and Paragraph (5) of the Insurance Code, the insurance policy on compulsory passenger accident insurance shall also include:

1. the insurer business name;
2. the registered office and address of the place of management, insurers from third countries operating through a branch in the Republic of Bulgaria also indicating the registered office and address of the place of management of the insurer in the third country and of the branch in the Republic of Bulgaria;
3. the number of the act of the competent authority whereby a license has been issued for practicing insurance activity, insurers from third countries operating through a branch in the Republic of Bulgaria quoting the number of the act of the competent authority by registered office of the insurer in the third country and of the competent authority in the Republic of Bulgaria;
4. the number under BULSTAT for insurers with registered office in the Republic of Bulgaria, respectively registration number in the commercial or other similar register of insurers with registered office in a Member State or a third country;
5. the name and address, respectively business name, registered office, address of the place of management and the number under BULSTAT of the passenger transport company with public transport means;
6. the number formed by the procedure referred to in Article 26 (2) herein.

Article 21. The insurer shall be obligated to provide the transport company with a certificate attesting to the concluded compulsory accident insurance of passengers for each motor vehicle of the transport company, said certificate having to include the circumstances referred to in Article 20 and the term of insurance validity. The transport company shall be obligated to place the certificate at a vantage point in the motor vehicle.

Article 22. (1) In the case of occurrence of insurance event the transport company shall be obligated to notify the insurer. Notification can also be effected by the injured passenger or relatives thereof. The transport company shall be obligated to compile an accident certificate of the injured passenger with detailed description of the case. A copy or a photocopy of the certificate shall be submitted to the insurer within 10 days of the occurrence of the accident. An accident certificate may not be compiled in case said accident has been recorded in an act of a competent authority on the control of the respective type of transport. In this case the transport company shall supply the injured party or the beneficiaries referred to in Article 24 with an attested transcript of the document referred to in the preceding sentence.

(2) The insurer shall be obligated to accept and register each notification of the onset of an insurance event, as well as all documents certifying the grounds for the claim and the amount of the damage.

Article 23. (1) An accident shall be deemed any event that has occurred not by the will of the insured person while said person is in the process of traveling (including upon boarding or stepping

down from the transport vehicle), which as a result of unexpected and unforeseen actions or causes of external origin within one year of the onset thereof has caused death or permanent loss of capacity for work of the insured person.

(2) The following shall also be considered accidents:

1. twisting, strains or tears of tissues caused by unexpected tension of own resources;
2. infections at which the infected matter has penetrated the organism of the person who has suffered an accident;
3. bodily disability or death with onset in the course of transportation in attempt to save own or another's life or property.

Article 24. (1) On the occasion of death of an insured person resulting from an accident covered by the insurance the insurer shall pay the insurance sum under the contract.

(2) In the case of permanent loss of capacity for work, the insured shall be paid such a percentage of the insurance sum that shall be equal to the percentage of permanent loss of capacity for work.

(3) The percentage of permanent loss of capacity for work shall be determined by TEMC or by an insurance expert commission in accordance with a list of the traumatic diseases and disabilities of the insurer following the final and complete stabilization of the disabilities of the insured, but not earlier than three months and not later than one year following the date of the event. In the case of loss of limbs or other human organs the percentage may also be determined without abidance by the three-month term.

(4) When an insured person has had a certain percentage of permanent loss of capacity for work prior to the onset of the accident, this percentage shall not be taken into consideration in determining the permanent loss of capacity for work as a result of the accident.

(5) The insurance sum or the respective part thereof shall be paid to the person who has sustained disabilities and in the case of death – to the legal heirs thereof.

(6) In the case of death of a minor, a person of limited judicial disability or one that is incapacitated, who does not have heirs, the insurance sum shall be paid to the persons who have provided for him/her.

(7) In case the insured person, respectively his/her heirs have not come of age or are subject to disability, the insurance compensation shall be deposited in their name in a commercial bank, which operates in the Republic of Bulgaria and the insurer shall duly notify them thereof in writing.

Article 25. (1) The following documents shall be submitted to the insurer for payment of the insurance sum or a respective part thereof:

1. written application;
2. ticket, card or another document in the original, proving that the injured party has been a passenger;
3. a document pursuant to Article 22 (1);
4. a copy of the death certificate and a certificate of inheritance in the original or a record of TEMC;
5. medical certificates, records of MCC and other documents, as well as explanations requested by the insurer.

(2) In the case of paid compensation for permanent loss of capacity for work as a result of an accident and subsequent demise of the insured person within one year following the date of the accident the amount of compensation paid shall be deducted from the due insurance sum.

Section IV Standard Numbering

Article 26. (1) Insurers that issue insurance policies on compulsory third-party insurance of motorists and accident insurance of passengers shall have standard numbering.

(2) Each policy on compulsory insurance against civil liability of motorists and on compulsory accident insurance of passengers shall contain the unique identification code of the insurer, provided by the Guarantee Fund, the type of insurance, the year of beginning of the insurance policy and the number in order.

(3) When the sign referred to in Article 5 has been printed by the procedure established by the Council of Ministers for the printing of securities it shall be assumed that the obligation under Article 261 (1), second sentence of the Insurance Code has been fulfilled.

Section V Insurance Policy Accounting

Article 27. (1) Each insurer that offers compulsory insurance against civil liability to motorists and/or compulsory insurance against accident to passengers in the Republic of Bulgaria, by means of establishment or under the condition of freedom of provision of services, shall present a transcript at the Information Centre of the Guarantee Fund by the second business day of the week following the week referred to therein concerning the valid insurance contracts by the end of the preceding week. The transcript shall also be submitted to the Financial Supervision Commission.

(2) The content and format of the transcript referred to in Paragraph (1) shall be determined by the Managing Board of the Guarantee Fund.

(3) The transcript shall be submitted in the form of an electronic document signed with a universal electronic signature. The transcript shall be provided by electronic means and, in case this is impossible, on a technical carrier.

Article 28. (1) The Guarantee Fund shall summarize the information about the insurance policies concluded under the compulsory insurance referred to in Article 249 (1) and (2) of the Insurance Code and shall submit that information to the Interior Ministry authorities.

(2) In addition to the cases referred to in Article 293 of the Insurance Code, the Guarantee Fund shall provide on the grounds of a written request of:

1. an insurer – summarized information about the market of compulsory insurance against civil liability of motorists, which shall not reveal information about consumers and the motor vehicles for which an insurance has been concluded with a concrete insurer;
2. an insurer, in relation to the onset and practice of the right thereof under Article 213 of the Insurance Code – information about the insurer that has concluded compulsory insurance against civil liability of the motorists.

(3) The information referred to in Paragraph (2) shall be provided gratuitously.

Section VI Administrative Penal Provisions

Article 29. Persons that have perpetrated violations of the ordinance, as well as persons who have permitted the perpetration of such violations shall be penalized under the conditions and procedure of Part Seven of the Insurance Code.

SUPPLEMENTARY PROVISION

§ 1. In case an insurer offering the compulsory insurance referred to in this Ordinance provides at or on the occasion of their conclusion a commodity or service in any form whatsoever, regardless of whether said insurer has been sanctioned for that or has terminated the offering, the value of these goods or services shall be taken into consideration in assessment of the sufficiency of the premium pursuant to Article 65 of the Insurance Code for the insurance on the occasion of which the goods or services have been provided.

TRANSITIONAL AND FINAL PROVISIONS

§ 2. Ordinance No. 18 of 10.11.2004 for Compulsory Insurance under Article 77, Items 1 and 2 of Paragraph (1) of the Insurance Code, adopted by Decisions No. 28-H of 10.11.2004 of the Financial

Supervision Commission, promulgated, SG No. 105 of 30.11.2004, amended and supplemented, SG No. 85 of 25.10.2005, No. 101 of 16.12.2005, effective 16.12.2005 shall hereby be repealed.

§ 3. The instructions adopted by a decision on Minutes No. 26 of 22.06.2005 of a meeting of the Financial Supervision Commission shall hereby be repealed.

§ 4. (1) An insurer concluding compulsory insurance against civil liability of motorists shall be obligated to pay the Guarantee Fund the received there from by 28.10.2005 number of the sign referred to in Article 21 (1) of the repealed Ordinance No. 18 of 10.11.2004 for Compulsory Insurance under Article 77, Items 1 and 2 of Paragraph (1) of the Insurance Code, at the price by which the Guarantee Fund has concluded a contract for the printing thereof by the following time-limits:

1. by 31.03.2006 - 30 per cent of the sum due;
2. by 30.09.2006 - 30 per cent of the sum due;
3. by 31.12.2006 – the remaining part of the sum due.

(2) In the case of non-compliance with the obligation referred to in Paragraph (1) the Guarantee Fund shall refuse the insurer to execute new orders.

§ 5. Until the date of entry into force of the Treaty concerning the Accession of the Republic of Bulgaria and Romania to the European Union the rules for insurers from third countries shall be applied to all insurers licensed to provide insurance through a branch in the Republic of Bulgaria.

§ 6. This Ordinance has been issued on the grounds of Article 255, Article 259 (4) and Article 273 (2) of the Insurance Code and has been passed by Decision No. 52-H of 08.03.2006 of the Financial Supervision Commission.

Attachment No. 1 to Article 15 (4)

Methodology of settlement of claims for compensation of damages caused by motor vehicle under compulsory insurance against civil liability of motorists.

SECTION I General Dispositions

Article 1. The Methodology of settlement of claims for compensation of damages caused by motor vehicle under compulsory insurance against civil liability of motorists shall provide the procedure for determining the actual value of motor vehicles and the amount of compensation in case of partial damage to or complete destruction of a motor vehicle.

Article 2. The Methodology of settlement of claims for compensation of damages caused by motor vehicle under compulsory insurance against civil liability of motorists shall be applied by the insurers and by the Guarantee Fund referred to in Article 287 of the Insurance Code.

Article 3. (1) The Methodology of settlement of claims for compensation of damages caused by motor vehicle under compulsory insurance against civil liability of motorists shall provide for the relations between third parties that have sustained pecuniary damages because of partial damage or destruction of a motor vehicle and

1. the insurer that owes insurance compensation pursuant to Item 1 of Article 249 of the Insurance Code, or
2. the Guarantee Fund that owes payment in pursuance to Article 288 of the Insurance Code.

(2) This methodology shall also be applied at the evaluation of damages on the part of the insurer of the offending insured in the cases when another insurer has been subrogated into the rights of the third damaged party in pursuance to Article 213 of the Insurance Code.

Article 4. The methodology shall be applied as the minimum insurance amount in the cases when due evidence (invoices) has not been presented for completed repairs of the motor vehicle at a service station, as well as for the cases when the compensation is determined by expert evaluation.

Article 5. The obligations between the insurers referred to in Article 3 (2) shall be settled within a period of 45 days of claiming the regress right of the respective insurer and if not, the provisions of Article 319 of the Insurance Code shall apply.

SECTION II

Determining the actual value of motor vehicles (MV), transport vehicles (TV), trailer devices (TD), road construction and maintenance equipment (RCME), agricultural machinery (AM), hoisting and hauling devices (HHD) and others by the date of onset of the insurance event.

Article 6. The actual value of MV, TV, TD, RCME, AM, HHD and others, up to five (5) years inclusive after the year of production, that by the date of the insurance event feature in the relevant for that date bulletins of “Prices of New MV in Bulgaria – *AutoExpert*”, shall be determined as a percentage of the price in new condition in accordance with Attachment No. 2.

Article 7. The actual value of the vehicles referred to in Article 6 that do not feature in “Prices of New MV in Bulgaria – *AutoExpert*” bulletins and those of more than five (5) years following the year of production that feature as a price in new condition in bulletins:

1. Eurotax Schwacke – SuperSchwacke (price list for automobiles, sports utility vehicles (SUV) and vans), Nutzfahrzeuge (price list for trucks), Zweirad (price list for motorcycles, mopeds and scooters), Landenmaschinen (price list for agricultural machinery);
2. N.A.D.A (American price list for motor vehicles manufactured in the United States);
3. Kelley Blue Book (American price list for motor vehicles manufactured in the United States) and
4. other bulletins,

shall be determined as a per cent, in accordance with Attachment No. 2, of the price in new condition featured in the respective bulleting for the concrete make, model, modification and year of manufacture.

Article 8. The actual value of makes, models and modifications of MV, TV, TD, RCME, AM, HHD and others, quoted in Attachment No. 3, shall be determined by this Attachment alone, their value in new condition being calculated in accordance with Attachment No. 2.

Article 9. The actual value of MV, TV, TD, RCME, AM, HHD and others, that by the date of the insurance event do not feature in the bulletins referred to in Items 1, 2 and 3 of Article 7 shall be equalized to similar MV, TV, TD, RCME, AM, HHD and others from the same bulletins, depending on the make, model, modification, the type of fuel, the number of seats, the number of doors, the volume of the internal combustion engine (cu cm), the power of the engine (Kw, Ps), the type of the coupe or body, the year of manufacture and the category, the price in new condition being calculated in accordance with Attachment No. 2.

Article 10. The value in new condition of specialized motor vehicles (armoured and the like), trucks and trailer devices with additionally mounted specialized superstructures shall be increased by a factor in pursuance to Attachment No. 4 in case invoices for purchase in new condition have not been submitted.

Article 11. The value in new condition of tramcars, trolleybuses, agricultural machinery, self-propelled hoisting and hauling devices, road construction and maintenance machinery and others shall be determined by expert evaluation on the basis of invoices, purchase value, and for those acquired and registered second-hand – by balance value.

SECTION III.

Determining the amount of insurance compensation by expert evaluation

Article 12. (1) The prices of new parts shall be accepted from the Eurotax Schwacke Kalkulation price list or another source (hard copy or electronic), according to the grouping of motor vehicles by their type and the years following their date of manufacture.

(2) For the cars manufactured in countries members of the former Council for Mutual Economic Assistance (CMEA):

1. Moskvich 21412, 2141;
2. Moskvich, up to model 2140, incl. IZH;
3. VAZ, all models up to 21099 inclusive;
4. ZAZ, all models;
5. Skoda, all models up to Favorit (Forman);
6. Fiat, models 125P and 126P;
7. Polonez, all models;
8. Dacia, all models up to Super Nova;
9. Oltcit, all models;
10. Zastava, all models;
11. Trabant and Wartburg, all models;
12. Volga, up to model GAZ 3201 inclusive, and
13. other, not quoted makes and models, manufactured in countries members of the former CMEA, the following factors shall apply:

Years from the vehicle date of manufacture	Up to 3 yrs inclusive	From 4 yrs to 7 yrs inclusive	From 8 yrs to 14 yrs inclusive	Over 15 yrs
Factor	0.5	0.35	0.3	0.2

(3) The following factors shall apply for all the remaining manufactured motor vehicles, including Skoda – all models after Favorit (Forman) inclusive, Dacia – all models after Super Nova inclusive, VAZ – all models after 21099, as well as all other types of manufacture:

Years from the vehicle date of manufacture	Up to 3 yrs inclusive	From 4 yrs to 7 yrs inclusive	From 8 yrs to 14 yrs inclusive	Over 15 yrs
Factor	1.0	0.80	0.5	0.4

Note: For motor vehicles Peugeot, counted up to 7 years as of the date of manufacture, the factor for new parts is 0.70..

(4) Makes, models and modifications, not represented in price lists of suppliers to the Bulgarian market and in the Eurotax Schwacke Kalkulation price list, shall be made equal to such similar makes, models and modifications in accordance with the technical and operating parameters, by using analogues, technological similarities and equalizations at the discretion of a motor vehicle expert.

(5) For trucks, buses, motorcycles, etc., which do not have analogues in price lists of suppliers to the Bulgarian market and in the Eurotax Schwacke Calculation price list, a source of prices of new parts may be pro-forma invoices or invoices. The insurer is entitled to request pro-forma invoices

from more than one supplier. Upon calculation of the expert's assessment, the prices of new parts from the pro-forma invoices shall be multiplied by the correction factors referred to in Paragraph (2) or Paragraph (3) respectively.

(6) In the case of damaged additionally mounted equipment (extras, accessories) beyond the standard one mounted on a motor vehicle at the moment of purchase or after that, its actual value shall be determined according to the year of said vehicle's manufacture by the respective SuperSchwacke, N.A.D.A or Kelley Blue Book bulletin.

Article 13. (1) To determine the amount of labor that has gone in vehicle recovery and materials for painting, motor vehicles shall be grouped in classes as follows:

1. Group I, **Class (A)** – the criterion for determination of the motor vehicles of this class is the overall length – L up to 4.00 m;
2. Group II, **Class (B)** – the criterion for determination of the motor vehicles of this class is the overall length – L from 4.00 m to 4.60 m;
3. Group III, **Class (C)** – the criterion for determination of the motor vehicles of this class is the overall length – L above 4.60 m and motor vehicles of Class Jeep, short wheelbase;
4. Group IV, **Class (D)** – motor vehicles of Class Jeep, long wheelbase, and motor vehicles of "VAN" and "PICKUP" type.

(2) The overall length of each modification is specified in Section II "Mass + weight" for the respective make and model road transport vehicle in the publication of Eurotax Schwacke – *TYPENERKENNUNG*. Overall length is the distance between the end points of a vehicle.

(3) For motorcars and commercial motor vehicles up to 3,5t and busses with up to 15+1 seats:

1. service standard times for disassembly – mounting operations, repairs and other technologically required operations shall be accepted pursuant to manufacturer specifications, but not higher than those indicated in Attachment No. 5;

2. service standard times for restoration (tinsmith, fitter and other operations) shall be accepted pursuant to Attachment No. 5;

3 service standard times for painting operations shall be accepted pursuant to Attachment No. 5.

(4) For trucks, buses and other vehicles not listed in Attachment No. 5, service standard times shall be determined by the commission carrying out the inspection.

(5) The value of one service man-hour shall be BGN 8.00.

Article 14. (1) The necessary materials for painting shall constitute a sum of basic materials (paint set) and additional materials determined in accordance with Paragraphs (2) – (6).

(2) The maximum consumption rate of basic painting materials (paint set) shall be:

1. for painting one basic and non-basic part (component) of a motor vehicle (in liters):

Road vehicle classes				
	<i>Small class (A)</i>	<i>Medium class (B)</i>	<i>High class (C)</i>	<i>Class (D)</i>
For all types of paint, basic component	0.180 l	0.220 l	0.280 l	0.350 l
For non-basic component	0.050 l	0.070 l	0.080 l	0.110 l

2. for painting an entire motor vehicle (in liters):

Road vehicle classes				
	<i>Small class (A)</i>	<i>Medium class (B)</i>	<i>High class (C)</i>	<i>Class (D)</i>
For all types of paint	1,8 l	2.2 l	2.8 l	from 2.8 l to 4.0 l depending on base

(3) The maximum consumption rates of basic materials for overall painting (paint set) shall not include the quantities needed for painting the motor vehicle's plastic parts (bumpers, spoilers, mirrors, etc.), which have the basic vehicle color.

(4) Additional materials for painting one part (basic or non-basic) of a motor vehicle shall be calculated as a percentage of the cost of basic materials (paint set) required for painting of the part in accordance with the table as follows:

Extent of damage	Motor vehicle class											
	<i>Small class (A)</i>			<i>Medium class (B)</i>			<i>High class (C)</i>			<i>Class (D)</i>		
	Acrylic	Metallic	Pearl	Acrylic	Metallic	Pearl	Acrylic	Metallic	Pearl	Acrylic	Metallic	Pearl
New	100	80	60	100	80	60	100	80	60	100	80	60
I	105	85	65	105	85	65	105	85	65	105	85	65
II	110	90	70	110	90	70	110	90	70	110	90	70
III	120	110	100	120	110	100	120	110	100	120	110	100

(5) Additional materials for painting (if necessary) of one plastic part (component) of a motor vehicle shall be calculated as a percentage of the cost of basic materials (paint set) required for painting of the part in accordance with the table as follows:

Extent of damage	Road vehicle classes											
	<i>Small class (A)</i>			<i>Medium class (B)</i>			<i>High class (C)</i>			<i>Class (D)</i>		
	Acrylic	Metallic	Pearl	Acrylic	Metallic	Pearl	Acrylic	Metallic	Pearl	Acrylic	Metallic	Pearl
New	105	85	65	105	85	65	105	85	65	105	85	65
With repair	110	90	70	110	90	70	110	90	70	110	90	70

(6) Additional materials for overall painting of a motor vehicle, shall be calculated as a percentage of the cost of basic materials (paint set) required for overall painting in accordance with the table as follows:

Paint type	Road vehicle classes			
	<i>Small class (A)</i>	<i>Medium class (B)</i>	<i>High class (C)</i>	<i>Class (D)</i>
Acrylic	55	55	55	55
Metallic	40	40	40	40
Pearl	35	35	35	35

Article 15. (1) The price of a paint set for 1lt. shall be:

1. For road vehicles up to 14 years inclusive, as from the date of their manufacture:

- a. Acrylic paint – BGN 100.00;
 - b. Acrylic paint for trucks and buses: BGN 60.00;
 - c. Metallic paint – BGN 150.00;
 - d. Metallic paint with pearl effect – BGN 180.00.
2. For road vehicles over 14 years, as from the date of their manufacture:
- a. Acrylic paint – BGN 40.00;
 - b. Acrylic paint for trucks and buses: BGN 60.00
 - c. Metallic paint – BGN 70.00;
 - d. Metallic paint with pearl effect – BGN 90.00.
- (2) The basic and additional materials for painting one basic or non-basic part of a motor vehicle are quoted in BGN in Attachment No. 6.

SECTION IV

Determining amount of insurance compensation by submitted cost accounting documents (invoices)

Article 16. In determining the compensation amount, following the completion of repair and the presentation of cost accounting documents (invoices), it shall be mandatory to:

1. inspect [the vehicle] to ascertain the actual repair works involving the restoration;
2. prepare a comparative expert analysis to compare the accounting documents submitted (original invoices with bills or payment order) with the inspection (inspections) and the actually effected repair (repairs).

Article 17. (1) For MV, TV, TD, RCME, AM, HHD and others for which the prices of new parts used are indicated in the bulletin price list EUROTAXSCHWACKE KALKULATION, valid at the date of the insurance event, with documents (original invoices with bills or payment order), those issued by an official importer of these with a period of operation of up to 3 (three) years, including from the date of manufacture or the date of registration in new condition, the value of the new parts shall be accepted following comparative expert analysis with the list of damages incurred. Extra payments for express supplies shall not be accepted.

(2) For MV, TV, TD, RCME, AM, HHD and others for which the prices of new parts used are indicated in the bulletin price list EUROTAXSCHWACKE KALKULATION, valid at the date of the insurance event, with documents (original invoices with bills or payment order), those issued by an unofficial importer for all MV, TV, TD, RCME, AM, HHD and others, regardless of the period of operation, as well as for all MV, TV, TD, RCME, AM, HHD and others over 3 (three) years, the value of the new parts shall be accepted following expert comparison, but not higher than those quoted in EUROTAXSCHWACKE KALKULATION, corrected with the factors referred to in Article 12 (2) or (3), according to the grouping of the motor vehicles by type and years following the date of manufacture.

(3) In case the value of the new parts exceeds the figures indicated in EUROTAXSCHWACKE KALKULATION, corrected with the factors quoted, the value from the price list shall be accepted and, in the case of equal or smaller values – from the submitted accounting documents (invoices).

(4) For MV, TV, TD, RCME, AM, HHD and others for which the prices of new parts used are not indicated in the bulletin price list EUROTAXSCHWACKE KALKULATION or another hard copy or electronic price list valid at the date of the event, the accounting documents (invoices) shall be approved with the use of analogues, technological similarities and equalizations.

Article 18. (1) To determine the amount of labor that has gone in vehicle recovery and materials for painting, motor vehicles shall be grouped in classes as follows:

1. Group I, Class (A) – the criterion for determination of the motor vehicles of this class is the overall length – L up to 4.00 m;

2. Group II, Class (B) – the criterion for determination of the motor vehicles of this class is the overall length – L from 4.00 m to 4.60 m;
3. Group III, Class (C) – the criterion for determination of the motor vehicles of this class is the overall length – L above 4.60 m and motor vehicles of Class Jeep, short wheelbase;
4. Group IV, Class (D) – motor vehicles of Class Jeep, long wheelbase, and motor vehicles of “VAN” and “PICKUP” type.

(2) The overall length of each modification is specified in Section II “Mass + weight” for the respective make and model road transport vehicle in the publication of Eurotax Schwake – *TYPENERKENNUNG*. Overall length is the distance between the end points of a vehicle.

Article 19. (1) Documents (original invoices with bills or payment order), issued by an official importer for MV, TV, TD, RCME, AM, HHD and others with a period of operation of up to 3 (three) years inclusive from the date of manufacture or the date of registration in new condition shall be accepted entirely as regards the standard hours and the value of service hour according to the list of damages found.

(2) Documents (original invoices with bills or payment order), issued by an unofficial importer for MV, TV, TD, RCME, AM, HHD and others, regardless of the period of operation, as well as by an official importer for all MV, TV, TD, RCME, AM, HHD and others of 3 (three) or more years shall be accepted following expert comparative analysis as regards standard times, in pursuance to standards of the manufacturer and the standards in Attachment No. 6, payment per hour standing at BGN 12.00.

Article 20. (1) The value of the materials for painting shall be accepted according to the submitted accounting documents (original invoices with bills), the technologically necessary quantities not exceeding the quoted as follows:

1. for painting one basic and non-basic part (component) of a motor vehicle (in liters):

Road vehicle classes				
	<i>Small class (A)</i>	<i>Medium class (B)</i>	<i>High class (C)</i>	<i>Class (D)</i>
For all types of paint, basic component	0.180 l	0.220 l	0.280 l	0.350 l
For non-basic component	0.050 l	0.070 l	0.080 l	0.110 l

2. for painting an entire motor vehicle (in liters):

Road vehicle classes				
	<i>Small class (A)</i>	<i>Medium class (B)</i>	<i>High class (C)</i>	<i>Class (D)</i>
For all types of paint	1,8 l	2.2 l	2.8 l	from 2.8 l to 4.0 l depending on base

(2) The maximum consumption rates of basic materials for overall painting (paint set) shall not include the quantities needed for painting the motor vehicle’s plastic parts (bumpers, spoilers, mirrors, etc.), which have the basic vehicle color.

(3) The value of the following additional materials for painting shall be accepted: Additional materials:

1. for painting one part (basic or non-basic) of a motor vehicle, calculated as a percentage of the cost of basic materials (paint set) required for painting of the part in accordance with the table as follows:

Extent of damage	Motor vehicle class											
	<i>Small class (A)</i>						<i>Small class (A)</i>					
	Acrylic		Acrylic		Acrylic		Acrylic		Acrylic		Acrylic	
New	100	80	60	100	80	60	100	80	60	100	80	60
I	105	85	65	105	85	65	105	85	65	105	85	65
II	110	90	70	110	90	70	110	90	70	110	90	70
III	120	110	100	120	110	100	120	110	100	120	110	100

2. for painting one plastic part of a motor vehicle, calculated as a percentage of the cost of basic materials (paint set) required for painting of the part in accordance with the table as follows:

Extent of damage	Road vehicle classes											
	<i>Small class (A)</i>						<i>Small class (A)</i>					
	Acrylic		Acrylic		Acrylic		Acrylic		Acrylic		Acrylic	
New	105	85	65	105	85	65	105	85	65	105	85	65
With repair	110	90	70	110	90	70	110	90	70	110	90	70

3. for overall painting of a motor vehicle, calculated as a percentage of the cost of basic materials (paint set) required for overall:

Paint type	Road vehicle classes			
	<i>Small class (A)</i>	<i>Medium class (B)</i>	<i>High class (C)</i>	<i>Class (D)</i>
Acrylic	55	55	55	55
Metallic	40	40	40	40
Pearl	35	35	35	35

(4) The necessary materials for painting shall constitute the sum of basic materials (paint set) and additional materials determined according to the tables under Paragraph (2) and (3).

Article 21. The price of a paint set for 1l shall be accepted for road vehicles:

1. up to 3 (three) years inclusive, counted from the date of manufacture thereof, according to the submitted documents (original invoices with bills or payment order).

1. from 3 (three) to 15 (fifteen) years inclusive, counted from the date of manufacture thereof:

a. Acrylic paint – BGN 100.00;

b. Acrylic paint for trucks and buses: BGN 60.00;

c. Metallic paint – BGN 150.00;

- d. Metallic paint with pearl effect – BGN 180.00.
- 2. For road vehicles over 15 years, as from the date of their manufacture:
 - a. Acrylic paint – BGN 40.00;
 - b. Acrylic paint for trucks and buses: BGN 60.00
 - c. Metallic paint – BGN 70.00;
 - d. Metallic paint with pearl effect – BGN 90.00.

Article 22. (1) Compensation in the case of total damage shall be paid when the amount of insurance compensation determined under the present Methodology exceeds 80% (eighty per cent) of the actual value of the damaged motor vehicle by the date of onset of the insurance event.

(2) Upon establishment of preserved part the amount of the insurance compensation may not be set below 75% (seventy-five per cent) of the amount of actual value.

SECTION V

Obligatory prerequisite of inventory conclusion

Article 23. Mandatory entries that should feature in the conclusion list on claims under compulsory insurance against civil liability of motorists shall be:

1. motor vehicle type;
 2. make;
 4. model;
 3. modification;
 5. registration number;
 6. chassis number;
 7. engine number;
 8. number of doors;
 9. fuel type;
 10. engine volume;
 11. year of manufacture;
 12. color and type of lacquer film;
 13. number of seats/tonnage, class;
 14. other technical data
- (number of axles, wheel formula, etc.)