

The Law of the Compulsory Insurance of the road Vehicle-Owner Against the third party (TP) (January 1968)

ARTICLE 1

Owners of the road motor vehicles and trailers including railroad (whether personal or legal entities) carriages are liable to pay damages for bodily injury or loss of property that their vehicles cause to T P' s as a result of occurrences. The said owners are therefore bound to insure their liabilities against T P with one of the authorized local insurance companies

Note 1

In this Law and the damages resulting from their CargoOccurrences, under this Law shall be deemed to mean any accident or crash or fire or explosion of the vehicles , named to the T P' s.

Note 2

All Ministries, Independent offices, Banks, Corporations and Companies in which at least 50% of the shares are held by the Government, as well as the Plan Organizations, and its affiliates are obliged to insure their interests exclusively with Bimeh Iran (Presently all states owned insurance companies).

ARTICLE 2

Persons incurring losses or injuries through accidents with vehicles covered under this Law are considered as T P except the following persons:

- (a) Insured, owner or driver of the vehicle responsible for the accident.
- (b) Employees of the insured responsible for the accident which occurs during the duty hours.
- (c) Wife, father, mother, children and grand children and grand Parents under custody of the insured being the passenger of the vehicle whose driver or the insured be responsible for the occurrence.

Note 1

In case of colission of two vehicles , drivers of the said vehicles are considered as T P whether they are the owner or not.

ARTICLE 3

In the event of transfer of ownership of the vehicle, all undertakings and obligations in respect of the insurance contract are transferred to the new owner and the latter shall be considered insured until expiration of contract date. The new owner shall notify the insurer of the transfer within 15 days giving also full personal particulars.

ARTICLE 4

The following instances are excluded from insurance coverage subject of these regulations:

1. Claims arising from force major, such as war, earthquake and flood.
2. Damage to property carried by the vehicle insured.
3. Damage caused by the atomic radiation and radioactive material.
4. Damage sustained by unlawful occupiers or to drivers possessing no driving licence.
5. Claims resulting from penal convictions and payment of fines.
6. Claims arising from occurrences overseas, unless previous agreement thereof had been made between the insurer and insured.

ARTICLE 5

If the accident is intentionally brought about by the driver or in the absence of the driver holding a driving licence, the insurer after payment of claim to the T P' s shall have the right of recovery of the damage from the responsible person.

ARTICLE 6

The insurer shall pay all damages sustained by the T P' s. The minimum insured amount depend upon type and specification of vehicle insured, as well as the premium rate and any general conditions of the policy with Observance of international trends will be prepared by central Insurance of Iran and are to be approved by the Council of Ministers.

ARTICLE 7

This Law becomes effective within 3 months of its enactment and all vehicles whose owners do not hold the required policy shall be stopped by the Traffic Police.

ARTICLE 8

Local Insurance companies in accordance with the provisions of this Law shall be obliged to issue insurance policies for the vehicle owners.

ARTICLE 9

Road motor vehicle owners entering Iran from overseas are obliged, according to this Law, to obtain the required insurance policy at the border.

ARTICLE 10

To compensate the bodily damage to T P' s that are not payable because of the vehicle having no insurance, the insurance contract being void, suspension of the insurance policy, suspension of the cover provided by insurer, running away of the lossing inflictor or him remaining unidentified and or bankruptcy of the insurer or in general for paymental any claims excluded in the insurance policy (except those specified in Article 4) a fund will be established by the name of "Compensation Fund of bodily Claims" and will be managed by Central Insurance of Iran. The organization, duties and scope of this Fund will be based on a bylaw ratified by Council of Ministers.

ARTICLE 11

The Finance Commissions of parliaments shall determine from which source the funds mentioned under Act. 10 is to be provided.

ARTICLE 12

All claims under this Law shall become time barred after expiration of 2 years from the date of occurrence and it will be extended by receipt of any Act by claimant. The new extention will last for another year.

ARTICLE 13

The bylaw concerning this Law are being drawn up by Bimeh Iran and approved by the Council of Ministers.

ARTICLE 14

This Law shall become enforced as of 21/3/1968.

This Law comprises of 14 Articles and 3 notes and having been approved by the

House of Parliament on Tuesday 16th December 1967 and approved by the House of Senate on Monday 16rd January 1968.

