



Council of Bureaux

Avenue Louise 166
BE – 1050 Brussels
Fax: +352 43 74 32 625
Email: secretariat@cobx.org

No.: 11844/03.08.2016

Ref.: Information regarding the situation of CARPATICA Asig

Dear Madam/Sir,

Please be hereby informed that by decision no. 1498/27.07.2016 the Romanian Financial Supervisory Authority has decided the following in regard to **Carpatica Asig**:

- To close the financial recovery procedure through special administration;
- To acknowledge the insolvency status of **Carpatica Asig** and to request the initiation of the bankruptcy proceedings;
- To withdraw the functioning license of **Carpatica Asig**;

The decision no. 1498/27.07.2016 of the Financial Supervisory Authority is in force from the date of publishing in the Official Gazette of Romania no. 586/02 August 2016.

From this date onward, the 02 August 2016, Carpatica Asig cannot act anymore as an insurance company, making our intervention as Compensation Body in regard to it impossible. By exception, for the proper functioning of the Agreement between Compensation Bodies and Guarantee Funds, FPVS has decided that the cases in which an agreement was already given to other handling Compensation Bodies for a reasoned offer, external costs and payment of compensation to the claimant will still be settled by FPVS acting as Compensation Body.

According to the current legal framework/provisions FPVS, acting as Motor Guarantee Fund in compliance with the provisions of Art. 10 of Directive 2009/103/CE, has no legal attributions to intervene in case of insolvency of an insurance company.

For the cases of insolvency of insurance companies in Romania there is established a separate, special and dedicated entity called the Insurance Guarantee Fund (IGF) – “**Fondul de Garantare a Asiguraților – (FGA)**”, which is an insurance guarantee scheme, dedicated to cover the compensation due to **insurance creditors**¹ in cases of insolvency.



The persons, who raise claims against **Carpatica Asig**, are entitled to ask for compensation from the Romanian Insurance *Guarantee Fund* – *FGA* which has the role to protect each **insurance creditor**¹ from the consequences of the insolvency of an insurer up to a maximum limit of 450.000 RON (*approx. 100.000 Euro*).

Consequently all claimants shall contact the Insurance *Guarantee Fund* - **Fondul de Garantare a Asigurațiilor** at the following contact details:

Fondul de Garantare a Asigurațiilor

Address: Str. Popa Petre nr. 24, București 020805, Sector 2, Romania

Phone: +4021.211.60.37; +4021.211.60.52; +4021.211.60.73; +4021.211.60.79

Fax: +4021.211.60.94

Email: office@fgaromania.ro

Please also be advised that from the 02 August 2016 onward all **insurance creditors**¹ entitled to compensation from **Carpatica Asig** shall notify their claim to the Insurance *Guarantee Fund* - **Fondul de Garantare a Asigurațiilor**.

Finally we would like to mention also the fact that the Insurance *Guarantee Fund* will be able to start to make payments to **insurance creditors**¹ after the Court decision regarding the opening of the bankruptcy proceedings is definitive and according to their internal procedures and conditions.

We will provide updates on this matter as the proceeding will evolve.

Yours truly,

Sorin Greceanu
General Manager



1- **insurance creditors**¹ - according to the provisions of art. 4 para (1), letter b of law 213/2015 regarding the Insurance *Guarantee Fund* the term *insurance creditors* has the following meaning:

insurance creditors are, depending on the case:

- (i) the insured persons- the private or legal person in a legal relationship with the debtor insurer through the conclusion of an insurance contract
- (ii) the insurance beneficiary – the third person to which, by law or based on the insurance contract, the debtor insurer would have to pay the due sums as a result of an insured risk;
- (iii) the injured/damaged person (in case of third party liability insurance) – the person entitled to receive compensation for the suffered damages/injuries as a result of the producing of an insured risk covered by a third party liability insurance contract.

No.: AM00197/03.08.2016

COUNCIL OF BUREAUX

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Re: Information related to our former member Carpatica Asig

Dear Mr. President,
Dear Mrs. Secretary General,
Dear colleagues,

We would like to inform you that on the 27th of July 2016, the Financial Supervisory Authority in Romania has decided the following in respect to the company Carpatica Asig:

- Closing the financial recovery procedure for Carpatica Asig;
- Withdrawing the functioning license of Carpatica Asig;
- Stating the insolvency state of Carpatica Asig and requesting the initiation of the winding-up procedure;

On the 2nd of August 2016, the decision of the Financial Supervisory Authority was published in the Official Journal of Romania.

Starting from the above mentioned and taking into consideration the provisions of the Internal Regulations, from the 2nd of August 2016, all the claim files of Carpatica Asig, which are subject to the Green Card System, will be taken over by the Motor Insurers' Bureau of Romania (B.A.A.R.).

As a consequence, starting with the 2nd of August 2016, we kindly ask all the Bureaux to withdraw the quality of designated correspondent in their country of competence to the companies requested by Carpatica Asig, if such a designation was previously approved.

In respect to the manner of handling the claim files taken over from the company Carpatica Asig, we would like to inform you of the following:

A. Claim files opened by the correspondent until 02.08.2016:

- I. In the claim files in which the correspondents, already issued reimbursement demands on behalf of Carpatica Asig (based on the provided coverage confirmation), please be so kind to ask the correspondents to forward the demands + supporting documents to the specially created e-mail address carpatica.claims@baar.ro. In this manner, we will be able to process the demands and proceed to the payment.

If possible, please ask the correspondents to send one demand + supporting documents/per e-mail. A list of overdue reimbursement demands is not sufficient for us to confirm our guarantee and proceed to the payment.

As supporting documents, we would need at least the following:

- ✓ The document stating the circumstances of the traffic accident;
- ✓ The coverage confirmation issued by Carpatica Asig;
- ✓ The proof of the payment made in favour of the third party;

- II. The claim files already opened by the correspondents, for which the correspondents have already received coverage confirmation from Carpatica Asig, are to be continued to be handled by the correspondents and the reimbursement demand is to be issued in the name of Carpatica Asig, but sent to the specially created e-mail address carpatica.claims@baar.ro.

The reimbursement demands are to be sent along with the minimum supporting documents mentioned at point I.

- III. The manner of handling claim files already opened by the correspondents, for which the correspondents have not received coverage confirmation from Carpatica Asig, are subject to the decision of each Bureau.

Namely, each Bureau decides whether the handling will be continued by the correspondents or the file will be taken over by the Bureau or an agent will be designated. In either of the options, our Bureau has to be contacted based on article 8, respectively article 13 of the Internal Regulations. When we issue a definite response, we will inform each Bureau if the vehicle is normally based in Romania and if it appears to be insured by Carpatica Asig.

If the insurer is Carpatica Asig, then the claim file will be handled in our best interest, but the reimbursement demand will be issued in the name of Carpatica Asig, but sent to the specially created e-mail address carpatica.claims@baar.ro.

B. Claim files opened after 02.08.2016

The new claim files (including the ones already notified to the correspondents but for which Carpatica Asig has not confirmed coverage) are to be taken over and handled by each Bureau directly or through an agent, according to internal procedures.

Our Bureau has to be contacted based on article 8, respectively article 13 of the Internal Regulations. When we issue a definite response, we will inform each Bureau if the vehicle is normally based in Romania and if it appears to be insured by Carpatica Asig.

If the insurer is Carpatica Asig, then the claim file will be handled in our best interest, but the reimbursement demand will be issued in the name of Carpatica Asig, but sent to the specially created e-mail address carpatica.claims@baar.ro.

We will keep you posted in respect to any new developments.

For any supplementary information, please do not hesitate to contact us.

Yours truly,

Mariana Ionita

Secretary General

