

GOVERNMENT

SOCIALIST REPUBLIC OF VIETNAM

Independence – Freedom – Happiness

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DECREE

COMPULSORY CIVIL LIABILITY INSURANCE OF MOTOR VEHICLE USERS

Pursuant to Law on Governmental Organization dated June 19, 2015; Law on amendments to Law on Government Organization and Law on Local Governmental Organization dated November 22, 2019;

Pursuant to Civil Code dated November 24, 2015;

Pursuant to Law on Insurance Business dated December 9, 2000; Law on amendments to Law on Insurance Business dated November 24, 2010;

Pursuant to Law on amendments to Law on Insurance Business, Law on Intellectual Property dated June 14, 2019;

Pursuant to Law on Road Traffic dated November 13, 2008;

At request of Minister of Finance;

The Government promulgates Decree on compulsory civil liability insurance of motor vehicle users.

Chapter I

GENERAL PROVISIONS

Article 1. Scope

This Decree prescribes compulsory civil liability insurance of motor vehicle users:

1. Compulsory civil liability insurance of motor vehicle users.
2. Management and use of motor vehicle insurance fund.
3. Management, operation and extraction of database on compulsory civil liability insurance of motor vehicle users.

4. Responsibilities of ministries, ministerial agencies and relevant organizations in implementing compulsory civil liability insurance of motor vehicle users.

Article 2. Regulated entities

This Decree applies to:

1. Motor vehicle users participating in traffic and operating within Socialist Republic of Vietnam territory.
2. Insurance enterprises permitted to implement compulsory civil liability insurance of motor vehicle users as per the law.
3. Agencies, organizations and individuals related to implementation of compulsory civil liability insurance of motor vehicle users.

Article 3. Term interpretation

In this Decree, terms below are construed as follows:

1. “*motor vehicle user*” refers to an owner of motor vehicles or an individual assigned by owner of motor vehicles to legally utilize and operate motor vehicles.
2. “*motor vehicles*” include road motor vehicles and heavy-duty vehicle, in which:
 - a) “*road motor vehicles*” include automobiles; tractors; trailers and semi trailers towed by automobiles and tractors; motorcycles; motorized tricycles; mopeds (including electric mopeds) and similar vehicles according to Law on Road Traffic.
 - b) “*heavy-duty vehicles*” include construction machines, agricultural and forestry machinery and other heavy-duty machines used for national defense and security purposes according to law on Road Traffic.
3. “*third party*” refers to individual(s) whose health, life or assets are damaged by motor vehicles, except for following individuals:
 - a) Vehicle operators and individuals riding the vehicles.
 - b) Vehicle owners except for cases in which vehicles have assigned other organizations and individuals to utilize and operate the vehicles.
4. “*insurance beneficiary*” refers to motor vehicle user or operator whose civil liability is insured according to insurance contracts.
5. “*active motor vehicle*” refers to a motor vehicle currently under control of operators, including moving, stopping and parking.

6. “*traffic participation*” refers to participation of motor vehicle users and operators in road traffic with motor vehicles.

Chapter II

COMPULSORY CIVIL LIABILITY INSURANCE OF MOTOR VEHICLE USERS

Section 1. INSURANCE REQUIREMENTS

Article 4. Insurance participation principles

1. Insurance enterprises and insurance buyers shall implement compulsory civil liability insurance of motor vehicle users according to this Decree.
2. For each motor vehicle, responsibility for paying for compulsory civil liability insurance of motor vehicle users shall only derive from a single insurance contract.
3. In addition to participation in compulsory civil liability insurance of motor vehicle users according to this Decree, motor vehicle users and insurance enterprises may agree to extend insurance requirements, excess insurance liabilities and respective additional insurance premiums. In this case, insurance enterprises are responsible for separating compulsory civil liability insurance of motor vehicle users in certificates of insurance.

Article 5. Scope of compensation

1. Non-contract damage such as health, life and assets done to a third party by motor vehicles.
2. Damage to health and lives of passengers done by motor vehicles.

Article 6. Certificate of compulsory civil liability insurance of motor vehicle users (hereinafter referred to as “certificate of insurance”)

1. Certificates of compulsory civil liability insurance of motor vehicle users are proof of concluding compulsory civil liability insurance contracts between motor vehicle users and insurance enterprises. Each motor vehicle shall be issued with 1 certificate of insurance. Motor vehicle users whose certificates of insurance are lost must request insurance enterprises (which have previously issued the lost certificates of insurance) in writing to reissue certificates of insurance.
2. Upon purchasing compulsory civil liability insurance of motor vehicle users, motor vehicle users shall be issued with certificates of insurance by insurance enterprises. Insurance enterprises shall only issue certificates of insurance for motor vehicle owners if the motor vehicle owner have adequately paid insurance premiums or agreed with the insurance enterprises on deadline for paying insurance premiums according to Ministry of Finance’s regulations.

3. Certificates of insurance shall be designed by insurance enterprises and include following details:

- a) Name, address and phone number (if any) of motor vehicle users.
- b) License plate or chassis number, engine number.
- c) Type of vehicle, payload, number of seats and use purpose in case of automobiles.
- d) Name, address and hotline number of insurance enterprises.
- dd) Civil insurance liabilities for third party and passengers.
- e) Responsibilities of motor vehicle users and operators in case of accidents.
- g) Insurance duration, insurance premiums and payment deadline of insurance premiums.
- h) Date of issue of certificates of insurance.
- i) Number code and barcode registered, managed and used according to Ministry of Science and Technology to enable storage, transmission and extraction of ID information of insurance enterprises and basic contents of certificates of insurance.

4. In case of issuance of electronic certificates of insurance, insurance enterprises must comply with Law on Electronic Transactions and guiding documents; Electronic certificates of insurance must closely comply with applicable regulations and law and Clause 3 of this Article.

Article 7. Insurance premiums and payment thereof

1. Insurance premiums refer to payment made by motor vehicle users to insurance enterprises when purchasing compulsory civil liability insurance of motor vehicle users.

2. Ministry of Finance shall prescribe insurance premiums on the basis of statistical figures to ensure payment capacity of insurance enterprises corresponding to insurance requirements, insurance liabilities and level of risks by type of motor vehicles and use purposes.

3. Based on accident records of each motor vehicle and insurance enterprises' risk tolerance capacity, insurance enterprises shall consider and increase insurance premiums. Insurance premiums can be increased by up to 15% of insurance premiums prescribed by Ministry of Finance.

4. For motor vehicles permitted to purchase insurance with duration other than 1 year, insurance premiums shall be determined based on insurance premiums prescribed by Ministry of Finance and insurance duration. To be specific:

$$\text{Payable insurance} = \frac{\text{Annual insurance premiums}}{\text{Insurance duration (days)}} \times \text{Insurance duration (days)}$$

premiums

by types of motor vehicles

365 (days)

In case insurance duration is 30 days or less, payable insurance premiums shall be determined by dividing annual insurance premiums by types of motor vehicle by 12 months.

5. Insurance premiums shall be paid according to regulations of Ministry of Finance.

Article 8. Insurance liability

1. Insurance liability refers to the maximum payment potentially made by insurance enterprises for damage to health, lives and assets of third party and passengers done by motor vehicles in accidents within scope of compensation.

2. Based on practical costs for medical examination, treatment and care services and asset damages, Ministry of Finance shall prescribe liabilities of compulsory civil liability insurance of motor vehicle users.

Article 9. Duration and effect of insurance

1. Insurance duration is specified on certificates of insurance, to be specific:

a) For motorcycles, motorized tricycles, mopeds (including electric mopeds) and similar vehicles according to Law on Road Traffic, the minimum insurance duration is 1 year and the maximum insurance duration is 3 years.

b) For remaining motor vehicles, the minimum insurance duration is 1 year and the maximum insurance duration shall conform to valid period of periodic technical safety and environmental protection inspection which has more than 1 year of valid period.

c) For following cases, insurance duration shall be less than 1 year: Foreign motor vehicles which temporarily import for re-export participate in traffic within Socialist Republic of Vietnam territory for less than 1 year; service life of motor vehicles is less than 1 year as per the law; temporarily registered motor vehicles according to regulations of Ministry of Public Security.

d) In case motor vehicle users who have multiple vehicles participating in insurance at different times in a year wish to unify insurance participation time in the following year, insurance duration of these vehicles may be less than 1 year and equal to remaining valid period of the first contract concluded in that year. Insurance duration of the following year for insurance contracts and certificates of insurance which have been unified in terms of participation time shall conform to Point a and Point b Clause 1 of this Article.

2. Insurance effect shall start and end according to the duration specified on certificates of insurance.

3. In case shift in ownership of motor vehicles takes place within the duration specified on certificates of insurance, all insurance benefits related to civil responsibilities of the former motor vehicle users shall remain valid for the new motor vehicle users.

Article 10. Termination of insurance contracts

1. Insurance contracts shall be terminated in case vehicle registration certificates or vehicle license plates must be revoked according to Ministry of Public Security.

2. Insurance contracts shall be terminated in case motor vehicle users fail to adequately pay insurance premiums according to Clause 5 Article 7 of this Decree.

3. Insurance contracts shall be unilaterally suspended in case of changes to factors which serve as the basis for calculating insurance premiums thereby lead to increase and/or decrease of insured risks.

Article 11. Legal consequences of terminating insurance contracts

1. In case of termination of insurance contracts specified under Clause 1 Article 10 of this Decree:

a) Insurance buyers and insurance beneficiaries must inform insurance enterprises in writing, attach certificates of insurance to be terminated and certification for revocation of vehicle registration certificates, license plates or decisions of competent agencies on revoking vehicle registration certificates, license plates.

Insurance contracts shall be terminated from the date on which insurance enterprises receive notice on termination of insurance contracts. Date of termination of insurance contracts shall be determined as follows:

- In case insurance buyers and insurance beneficiaries send notice in person or via postal service, termination of insurance contracts shall start from the date on which the termination is noted in records of insurance enterprises.

- In case insurance buyers and insurance beneficiaries send notice via fax or e-mail, termination of insurance contracts shall start from the date on which insurance enterprises receive fax or e-mail.

b) Within 5 working days from the date on which notice is received, insurance enterprises must refund insurance premiums to insurance buyers and insurance beneficiaries corresponding to remaining duration of insurance contracts which insurance buyers and insurance beneficiaries have paid insurance premiums after deducting reasonable costs related to insurance contracts. Insurance enterprises shall not refund insurance premiums in case insured events have occurred and compensation liabilities have derived before insurance contracts are terminated.

c) In case insurance buyers and insurance beneficiaries fail to inform termination of insurance contracts but insurance enterprises have adequate evidence for eligibility of motor vehicles for termination of insurance contracts according to Clause 1 Article 10 of this Decree, insurance enterprises must inform insurance buyers and insurance beneficiaries in writing and provide evidence for eligibility of motor vehicles for termination of insurance contracts.

If insurance buyers and insurance beneficiaries fail to adopt procedures for terminating insurance specified under Point a Clause 1 of this Article after 15 days from the date on which notice is received, insurance contracts are automatically terminated. Insurance enterprises shall refund insurance premiums as specified under Point b Clause 1 of this Article. In case insured events take place within 15 days from the date on which insurance enterprises notify insurance buyers and insurance beneficiaries about termination of insurance contracts, insurance enterprises must be responsible for compensating for insurance beneficiaries.

2. In case of termination of insurance contracts specified under Clause 2 Article 10 of this Decree:

a) Insurance contracts shall be terminated on the day following the day on which insurance buyers and insurance beneficiaries pay insurance premiums.

Within 5 working days from the date on which insurance contracts terminate, insurance enterprises must inform insurance buyers and insurance beneficiaries in writing about terminating insurance contracts and refunding the excess insurance premiums (if any) to insurance buyers and insurance beneficiaries or requesting insurance buyers and insurance beneficiaries to pay insurance premiums up to the point of terminating insurance contracts.

b) Insurance enterprises shall not refund insurance premiums in case insured events have occurred and compensation liabilities have derived before insurance contracts are terminated.

c) Insurance enterprises are not obliged to compensating insurance beneficiaries in case of insured events. Insurance contracts shall be terminated from the date on which insurance buyers or insurance beneficiaries receive notice on termination of insurance contracts. Date of termination of insurance contracts shall be determined as follows:

- In case insurance buyers and insurance beneficiaries send notice in person or via postal service, termination of insurance contracts shall start from the date on which insurance buyers or insurance beneficiaries provide confirmatory signature for receiving the notice.

- In case insurance buyers and insurance beneficiaries send notice via fax or e-mail, termination of insurance contracts shall start from the date on which insurance enterprises receive fax or e-mail.

d) Insurance contracts shall continue to be valid from the date on which motor vehicle users adequately pay insurance premiums and receive written consensus of insurance enterprises.

3. In case of unilateral termination of insurance contracts specified under Clause 3 Article 10 of this Decree:

a) If insurance enterprises reject reduction to insurance premiums in case of unilaterally suspending insurance contracts due to changes to factors which serve as the basis for calculating insurance premiums which lead to decrease of insured risks:

Insurance buyers must issue written notice within 5 working days from the date on which insurance enterprises refuse to reduce insurance premiums. Insurance contracts shall be terminated from the date on which insurance enterprises receive notice on termination of insurance contracts. Legal consequences of terminating insurance contracts shall conform to Point b Clause 1 of this Article.

b) If insurance buyers reject increase to insurance premiums in case of unilaterally suspending insurance contracts due to changes to factors which serve as the basis for calculating insurance premiums which lead to increase of insured risks:

Insurance enterprises must issue written notice within 5 working days from the date on which insurance buyers reject increase to insurance premiums. Insurance contracts shall be terminated from the date on which insurance buyers receive notice on termination of insurance contracts.

Within 5 working days from the date on which insurance contracts are terminated, insurance enterprises must refund insurance premiums to insurance buyers and insurance beneficiaries corresponding to remaining duration of insurance contracts which insurance buyers and insurance beneficiaries have paid insurance premiums after deducting reasonable costs related to insurance contracts.

Insurance enterprises shall not refund insurance premiums in case insured events have occurred and compensation liabilities have derived.

Article 12. Damage assessment

1. In case of accidents, insurance enterprises or individuals authorized by insurance enterprises must closely cooperate with motor vehicle users, motor vehicle operators and third party or legal representatives of relevant parties in assessing damage to identify cause and level of damage. Assessment results must be made into documents bearing signatures of relevant parties. Cost for damage assessment shall be incurred by insurance enterprises.

2. In case motor vehicle users or motor vehicle operators fail to agree on causes and level of damage identified by insurance enterprises, both parties may solicit independent assessors unless otherwise agreed upon under insurance contracts. In case parties fail to agree on soliciting independent assessors, either party may request courts where the damage is done or where insurance beneficiaries reside to appoint independent assessors. Conclusion of independent assessors is obligatory for the parties.

3. In case conclusion of independent assessors differs from conclusion of insurance enterprises, insurance enterprises must pay for the independent assessors. In case conclusion of independent assessors corresponds with conclusion of insurance enterprises, motor vehicle users and motor vehicle operators must pay for the independent assessors.

4. In case assessment cannot be implemented due to force majeure or objective causes, insurance enterprises may rely on records and conclusions of competent authorities and relevant documents to identify causes and level of damage.

Article 13. Insurance exclusion

Insurance enterprises shall not compensate for following cases:

1. Damage done intentionally by motor vehicle users, motor vehicle operators or victims of the accidents.

2. Vehicle operators intentionally fleeing the scene after committing accidents without exercising civil responsibilities of motor vehicle users. Vehicle operators intentionally fleeing the scene after committing accidents and exercising civil responsibilities of motor vehicle users shall not be included under insurance exclusion.

3. Operators who are not within adequate age range to operate motor vehicles as per road traffic laws; operators who do not carry legitimate, proper driving license (driving license with template number at the back inconsistent with the latest template number in information system for managing driving license) issued by competent authorities at the time of accidents or carry inappropriate driving license when operating motor vehicles which require specific driving license. In case driving license of operators are revoked or suspended, the operators are considered to be not carrying driving license.

4. Damage that causes indirect consequences including: reduced commercial value, damage related to use and utilization of damaged assets.

5. Damage to assets caused by operators who have alcohol in breath or blood, or use narcotics or other prohibited stimulants as per the law.

6. Damage to assets which are lost or stolen as a result of the accidents.

7. Damage to special assets including: gold, silver, precious stones, financial instruments namely money, antiques, precious fine arts, and cadavers.

8. War, acts of terrorism, earthquake.

Article 14. Insurance claims

1. If accidents within insurance liabilities occur, insurance enterprises must reimburse insurance beneficiaries for the payment that has been made or will be made to the accident victims by the insurance beneficiaries.

In case insurance beneficiaries de cease or lack legal capacity according to judicial decisions, insurance enterprises shall directly compensate the accident victims, victims' heirs (in case the victims have deceased) or victims' representatives (in case the victims lack legal capacity according to judicial decisions or are under 16 years of age).

2. Within 3 working days after being notified by insurance buyers or insurance beneficiaries about accidents, insurance enterprises must pay advance compensation for damage to health and lives, to be specific:

a) In case accidents have been identified to be within scope of compensation:

- 70% of insurance claims as per the law/person/case in case of fatalities.

- 50% of insurance claims as per the law/person/case in case of bodily injuries receiving emergency medical treatment.

b) In case accidents have not been identified to be within scope of compensation:

- 30% of insurance liabilities as per the law/person/case in case of fatalities.

- 10% of insurance liabilities as per the law/person/case in case of bodily injuries receiving emergency medical treatment.

3. Insurance claims:

a) Specific compensation for health and lives is determined for each type of injury and casualty under Schedule for health and life compensation under Annex I attached to this Decree or according to agreement (if any) between insurance beneficiaries and victims or victims' heirs (in case the victims have deceased) or victims' representatives (in case the victims lack legal capacity according to judicial decisions or are under 16 years of age) but must not exceed the amount specified under Annex I attached to this Decree. In case judicial decisions are made, judicial decisions shall prevail as long as the amount specified under Annex I attached to this Decree is not exceeded.

In case multiple motor vehicles constitute to health or life damage, compensation amount shall be determined by levels of fault of insurance beneficiaries as long as total compensation amount must not exceed insurance liabilities.

In case of accidents which are entirely caused by third party as determined by competent authorities, health and life insurance for the third party shall equal 50% of the amount specified under Annex I attached to this Decree or agreement (if any) between insurance beneficiaries or victims' heirs (in case victims have deceased) or victims' representatives (in case victims lack

legal capacity according to judicial decisions or are under 16 years of age) but must not exceed 50% of the amount specified under Annex I attached to this Decree.

b) Specific asset compensation/accident is determined based on practical damage and levels of fault of insurance beneficiaries but must not exceed insurance liabilities.

4. Insurance enterprises are not obliged to pay for the excess insurance liabilities according to Ministry of Finance except for cases in which motor vehicle users participate in voluntary insurance contracts.

5. In case multiple compulsory civil liability insurance contracts are concluded for a single motor vehicle, compensation shall be determined only according to the first concluded contract. Insurance enterprises must refund 100% of paid insurance premiums for the remaining insurance contracts.

Article 15. Insurance claim dossiers

Insurance enterprises are responsible for cooperating with insurance buyers and relevant parties in producing insurance claim dossiers and being legally responsible for accuracy, adequacy and legitimacy of insurance claim dossiers. Insurance claim dossiers shall compose of following documents:

1. Documents related to vehicles, vehicle operators (certified true copies or copies bearing confirmation of insurance enterprises) provided by insurance buyers or insurance beneficiaries:

a) Vehicle registration (or certified true copies of vehicle registration and master registers of valid notice of receipt of credit institutions during the period in which the credit institutions hold master registers of vehicle registration) or documents on transfer of vehicle ownership and certificates of vehicle origin (in case vehicle registration is not available).

b) Driving license.

c) ID cards, Citizen Identity Cards, passports or other personal documents of vehicle operators.

d) Certificates of insurance.

2. Documents proving damage to life and/or health (copies of medical establishments or copies bearing confirmation of insurance enterprises) provided by insurance buyers or insurance beneficiaries:

a) Written proof of injuries.

b) Medical records.

c) Excerpts of death certificates, death notices, written confirmation of police authorities or assessment results of forensic examining bodies in case victims decease while mounting vehicles or decease due to accidents.

3. Documents proving property damage provided by insurance buyers or insurance beneficiaries:

a) Valid invoices and instruments on repair and/or replace of properties damaged due to traffic accidents (in case insurance enterprises repair and remediate the damage, the insurance enterprises are responsible for collecting such documents).

b) Documents, invoices and instruments related to additional costs incurred by motor vehicle users to reduce the damage or follow instructions of insurance enterprises.

4. Copies of relevant documents of police authorities collected by insurance enterprises in lethal accidents for third party and passengers, including: notice of traffic accident investigation, verification, resolution results or notice of accident investigation and resolution results.

5. Assessment records for identifying causes and levels of damage produced by insurance enterprise on the basis of consensus between insurance enterprises and insurance buyers, insurance beneficiaries.

Article 16. Deadline for claim request and payment

1. Deadline for requesting claims shall be 1 year from the date on which accidents occur except for cases of delay due to objective reasons or force majeure as per the law.

2. Within 5 working days from the date on which accidents occur (except for force majeure), insurance buyers or insurance beneficiaries must send notice of accidents in writing or electronically to insurance enterprises.

3. Deadline for making claim of insurance enterprises shall be 15 days from the date on which adequate applications for insurance claims are received and 30 days from the date on which adequate applications for insurance claims are received in case verification is required.

4. In case of rejecting insurance claims, insurance enterprises must inform insurance buyers or insurance beneficiaries in writing about reasons of rejection within 30 days from the date on which adequate applications for insurance claims are received.

Article 17. Rights of insurance buyers and insurance beneficiaries

In addition to rights under Law on Insurance Business, insurance buyers and insurance beneficiaries have the rights to include insurance premiums in business expenditure in case insurance buyers are manufacturing entities; allocate insurance premiums in recurrent operation expenditure of agencies and entities in case insurance buyers are administrative agencies or service providers of the Government.

Article 18. Obligations of insurance buyers and insurance beneficiaries

In addition to obligations under Law on Insurance Business, insurance buyers and insurance beneficiaries have the obligations to:

1. Cooperate with insurance enterprises in inspecting vehicle conditions before issuing certificates of insurance.
2. Promptly inform insurance enterprises to adopt appropriate insurance premiums for the remaining duration of insurance contracts in case of changes to factors which serve as the basis for calculating insurance premiums thereby increasing insured risks.
3. Always carry valid (physical or electronic) certificates of insurance when participating in traffic and present these documents at request of traffic police and other competent authorities as per the law.
4. Comply with regulations on road traffic safety.
5. In case of traffic accidents, be responsible for:
 - a) immediately informing insurance enterprises to cooperate in resolving, treating, limiting further damage to health, life and property, and protecting accident scenes; immediately informing the nearest police authorities or local governments to cooperate in resolving the accidents as per the law and cooperate with authorities in investigating and verifying causes of accidents.
 - b) refraining from moving, dismantling or repairing properties without consensus of insurance enterprises; except for cases in which such activities are necessary to ensure safety, prevent damage to health, life and properties or according to request of competent agencies.
 - c) collecting and providing documents required under insurance claim dossiers within responsibilities of insurance buyers and insurance beneficiaries for insurance enterprises according to Article 15 of this Decree.
 - d) enabling insurance enterprises to verify documents by the insurance buyers and insurance beneficiaries.
6. Notify victims or heirs or representatives of the victims about claims paid by insurance enterprises for each case of damage to health and life according to Point a Clause 3 Article 14 of this Article and pay claims.
7. Inform insurance enterprises in writing according to Point a Clause 1 and Point a Clause 3 Article 11 of this Decree.

Article 19. Rights of insurance enterprises

In addition to rights under Law on Insurance Business, insurance enterprises have the rights to:

1. Request insurance buyers and insurance beneficiaries to fully and truthfully provide details specified under certificates of insurance; inspect motor vehicle conditions before issuing certificates of insurance.
2. Reduce up to 5% of property damage claims in case insurance buyers or insurance beneficiaries fail to notify insurance enterprises about accidents according to Clause 2 Article 16 of this Decree or fail to notify in case of changes to factors which serve as the basis for calculating insurance premiums thereby increasing insured risks after insured events have occurred.
3. After paying advance compensation according to Point b Clause 2 Article 14 of this Decree, requesting Board for operating motor vehicle insurance funds to reimburse the advance payment in case accidents are identified to be within insurance liability exclusion or in case the advance payment exceeds insurance claims when the accidents are within scope of compensation.
4. Request police authorities to provide copies of documents related to accidents specified under Clause 4 Article 15 of this Decree.
5. Propose revision of principles, clauses, insurance premium schedules and compulsory civil liability insurance of motor vehicle users depending on practical implementation of the insurance.

Article 20. Obligations of insurance enterprises

In addition to obligations under Law on Insurance Business, insurance enterprises have the obligations to:

1. Sell compulsory civil liability insurance of motor vehicle users according to this Decree and issue certificates of insurance for insurance buyers according to Clause 3 Article 6 of this Decree.
2. Establish and maintain round the clock operation of hotline to promptly receive information on accidents, instruct and answer insurance buyers, insurance beneficiaries and relevant parties about issues related to compulsory civil liability insurance of motor vehicle users.
3. Integrate ability to search certificates of insurance on website of insurance enterprises to enable inspecting and supervisory authorities and insurance buyers, insurance beneficiaries to search and verify insurance duration and effect of certificates of insurance.
4. Within 1 hour after receiving notice on the accidents, insurance enterprises must inform insurance buyers, insurance beneficiaries and motor vehicle users about safety measures to minimize loss of life and property, provide guidelines on applications and procedures for requesting insurance claims; closely cooperate with insurance buyers, insurance beneficiaries,

third party and relevant parties within 24 hours in organizing assessment of damage to determine causes and level of damage which serve as the basis for insurance claims.

5. Inform insurance buyers, insurance beneficiaries and accident victims about compensation for life, health and pay according to Point a Clause 3 Article 14 of this Decree.

6. Clarify principles, clauses and premiums of compulsory civil liability insurance of motor vehicles to enable insurance buyers and insurance beneficiaries to distinguish compulsory civil liability insurance of motor vehicle users from other forms of voluntary insurance.

7. Actively collect documents required under insurance claim dossiers within responsibilities of insurance enterprises according to Article 15 of this Decree.

8. Pay advance compensation, pay compensation quickly and precisely according to this Decree.

9. Inform insurance buyers in writing according to Point c Clause 1, Point a Clause 2 and Point b Clause 3 Article 11 of this Decree.

10. Pay police authorities fees for copying accident documents and records provided as per the law and keep secrets during investigation process.

11. Within 15 days before insurance expires, inform insurance buyers and insurance beneficiaries about expiration of insurance contracts.

12. Contribute to motor vehicle insurance fund according to Article 26 of this Decree.

13. Keep separate accounts of insurance premiums, premiums, compensations and costs related to compulsory civil liability insurance of motor vehicle users. Costs related to compulsory civil liability insurance of motor vehicle users do not include non-commission financing for insurance agencies which insurance agencies are eligible for benefiting according to Ministry of Finance, promotion and payment discount in any shape or form.

14. Develop, implement and assign personnel to control implementation of professional principles and procedures, control risks, control internally, anti-fraud in insurance business related to compulsory civil liability insurance of motor vehicles.

15. Be subject to inspection and supervision of competent authorities when implementing compulsory civil liability insurance of motor vehicle users.

16. Organize implementation of compulsory civil liability insurance of motor vehicle users.

Article 21. Responsibilities for preparing and submitting reports

Insurance enterprises are responsible for preparing and submitting reports for compulsory civil liability insurance of motor vehicles as follows:

1. Operational reports:

Insurance enterprises must prepare and submit quarterly and annual operational reports to Ministry of Finance in person, via postal service or e-mail using form under Annex II for reports on implementation of compulsory civil liability insurance of motor vehicle users and Annex III for report on business results of compulsory civil liability insurance of motor vehicle users attached to this Decree, to be specific:

a) Quarterly reports: figure conclusion date shall be determined from the 1st of the 1st month of the reporting period to the 30th or the 31st of the last month of the reporting period. Deadline for submitting quarterly reports shall be 30 days from the date on which a quarter concludes.

b) Annual reports: figure conclusion date shall be determined from January 1 to December 31 of the reporting year. Deadline for submitting annual reports shall be 90 days from the date on which a year concludes.

2. In addition to reports specified under Clause 1 of this Article, insurance enterprises are responsible for preparing and submitting irregular reports at request of Ministry of Finance in person, via postal service or e-mail.

Article 22. Conflict resolution

All conflicts that derive from insurance contracts shall be resolved on the basis of negotiation first and foremost, if negotiation cannot be reached, parties have the rights to settle conflicts via commercial mediation, commercial arbitration or courts.

Section 2. ANTI-FRAUD IN INSURANCE BUSINESS

Article 23. Responsibilities in anti-fraud in insurance business

1. Anti-fraud in insurance business in compulsory civil liability insurance of motor vehicle users refers to adoption of measures to prevent and minimize frauds during conclusion and execution of contracts for compulsory civil liability insurance of motor vehicles to appropriate money from insurance enterprises.

2. Insurance enterprises are responsible for developing procedures, regulations and organizing implementation of measures to prevent, detect and minimize frauds in insurance business; publicizing anti-fraud in insurance business, closely cooperating with authorities to detect, deter and take actions against exploiting insurance for profit.

3. Insurance buyers and insurance beneficiaries are responsible for participating in anti-fraud operations in insurance business. In case of detecting insurance frauds, promptly inform insurance enterprises and competent agencies.

4. Relevant competent agencies shall cooperate with insurance enterprises, insurance buyers and insurance beneficiaries in organizing anti-fraud operations in insurance business, ensure social

order and security during implementation of compulsory civil liability insurance of motor vehicle users.

Chapter III

MANAGEMENT AND USE OF MOTOR VEHICLE INSURANCE FUND

Article 24. Motor vehicle insurance fund management and use principles

1. Motor vehicle insurance fund refers to fund established to make humanitarian payments; prevent and limit damage and road traffic accidents; publicize and educate on road traffic safety, compulsory civil liability insurance of motor vehicles and relevant activities to protect public interest and ensure social safety.
2. Motor vehicle insurance fund shall be contributed by non-life insurance enterprises which implement compulsory civil liability insurance of motor vehicle users and managed at Insurance Association of Vietnam (IAV); have separate accounts in commercial institutions and use seals of the IAV.
3. Motor vehicle insurance fund shall be managed and used in a transparent, effective and purposeful manner according to this Decree.

Article 25. Sources of motor vehicle insurance fund

1. Contribution of insurance enterprises permitted to implement compulsory civil liability insurance of motor vehicle users.
2. Interests from deposits.
3. Excess of motor vehicle insurance fund of the previous year permitted to be retained for the following year.
4. Contributions and financing of organizations and individuals.
5. Other legal revenues (if any).

Article 26. Contribution to motor vehicle insurance fund

1. Insurance enterprises are responsible for extracting up to 1% of total insurance premiums of compulsory civil liability insurance of motor vehicle users collected from principle insurance contracts in the previous financial year to contribute to motor vehicle insurance fund.
2. Before April 30 each year, Ministry of Finance shall declare rate of contribution to motor vehicle insurance fund at request of the IAV.

3. Insurance enterprises implementing compulsory civil liability insurance of motor vehicle users shall contribute to accounts of motor vehicle insurance fund as follows:

- a) Before June 30 each year: Submit 50% of the total amount as per the law.
- b) Before December 31 each year: Submit the remaining amount as per the law.

4. Insurance enterprises are responsible for preparing and submitting reports on insurance premium revenues of compulsory civil liability insurance of motor vehicles to the IAV (both hard and soft copies) using form under Annex I attached to this Decree within 90 days after the year ends.

Article 27. Expenditure incurred by motor vehicle insurance fund

1. Motor vehicle insurance fund shall be used for:

- a) Performing humanitarian purposes, to be specific:

In case vehicles that cause accidents cannot be identified, vehicles are not benefitting from insurance and cases of exclusion of insurance liabilities according to Article 13 of this Decree (other than damage done intentionally by motor vehicle users, operators or accident victims): 30% of insurance liabilities as per the law/person/case in accidents with fatalities; 10% of insurance liabilities as per the law/person/case in case of bodily injuries receiving emergency medical treatment.

Once insurance enterprises have paid advance compensation according to Point b Clause 2 Article 14 of this Decree, Board for operating motor vehicle insurance fund are responsible for reimbursing the advance payment incurred by the insurance enterprises in case accidents are identified to be within insurance liability exclusion or in case the advance payment exceeds insurance claims when the accidents are within scope of compensation.

- b) Preventing and remediating traffic accidents.
- c) Publicizing and educating on road traffic and compulsory civil liability insurance of motor vehicle users.
- d) Assisting police authorities financially in cooperating with the IAV, Council for managing motor vehicle insurance fund and non-life insurance enterprises in preventing, remediating and anti-fraud in insurance business and compulsory civil liability insurance of motor vehicle users.
- d) Commending organizations and individuals with merits in implementing compulsory civil liability insurance of motor vehicle users, preventing and remediating damage, traffic accidents and ensuring road traffic safety.
- e) Finishing and maintaining operation of database on compulsory civil liability insurance of motor vehicle users.

g) Financing operation of ASEAN Program for compulsory motor insurance and operation of Vietnamese agency implementing Protocol No. 5 on ASEAN Program for compulsory motor insurance.

h) Managing motor vehicle insurance fund: Salary, allowances and salary-based payments (social insurance, health insurance, unemployment insurance, union fees) and commendation for employees of offices of motor vehicle insurance fund; responsibility allowances for individuals holding managerial positions in motor vehicle insurance fund and part-time employees of offices of motor vehicle insurance fund; renting offices, purchasing equipment, spending on banking and post services; hiring auditors; spending on operational costs and organizing meetings of motor vehicle insurance fund.

2. Ministry of Finance shall elaborate specific rate of expenses specified under Clause 1 of this Article, prioritizing expenses on performing humanitarian purposes, preventing and remediating traffic accidents and publicizing, educating to meet objectives of motor vehicle insurance fund.

Article 28. Management and operation of motor vehicle insurance fund affairs

1. Organizational structure for management and operation of motor vehicle insurance fund includes Council for managing motor insurance fund; Board for operating motor vehicle insurance fund. Offices of motor insurance shall act as assistants to organizational structure for management and operation of motor vehicle insurance fund and is situated at standing agencies of the IAV. Council for managing motor vehicle insurance fund shall be established under decision of Minister of Finance on the basis of proposition of the IAV.

2. Annual final accounts of the fund (verified by independent audit organizations) must be submitted to Ministry of Finance (Agency for Insurance Supervisory and Management) and non-life insurance organizations before March 31 of the following year and publicized on website of the IAV together with comments of independent audit organizations.

3. Ministry of Finance shall elaborate on organizational structure for management, operation and preparation of estimates, accounts and audit of motor vehicle insurance fund.

Article 29. Establishment of Council for managing motor vehicle insurance fund, revision of members of Council for managing motor vehicle insurance fund

1. Procedures for applying for establishment and revision of members of Council for managing motor vehicle insurance fund:

a) The IAV (in case of applying for establishment of Council for managing motor insurance fund) and Council for managing motor insurance fund (in case of applying for revision of members of Council for managing motor insurance fund) shall submit applications via postal service or in person to Ministry of Finance.

b) Within 14 days from the date on which adequate applications are received, Minister of Finance shall issue Decision on establishment of Council for managing motor vehicle insurance

fund, revising members of Council for managing motor vehicle insurance fund. In case of rejection, Ministry of Finance shall provide written explanation.

2. Application for establishment of Council for managing motor vehicle insurance fund composes of:

a) 1 master register of application for establishment of Council for managing motor insurance fund using form under Annex V attached to this Decree.

b) 1 copy of resolution of Executive board of the IAV approving application for establishment of Council for managing motor vehicle insurance fund.

3. Application for revision of members of Council for managing motor vehicle insurance fund composes of:

a) 1 master register of application for revision of members of Council for managing motor insurance fund using form under Annex VI attached to this Decree.

b) 1 copy of Resolution of Council for managing motor vehicle insurance fund approving application of non-life insurance enterprises on revision of members of Council for managing motor vehicle insurance fund.

Article 30. Procedures and dossiers on humanitarian payments

1. Humanitarian payments must be made for the right purposes and beneficiaries as per the law.

2. Ministry of Finance shall provide guidelines on procedures and dossiers of humanitarian payments made from motor vehicle insurance fund and repayment of advance made by insurance enterprises according to Point a Clause 1 Article 27 of this Decree.

Chapter IV

MANAGEMENT, OPERATION AND EXTRACTION OF DATABASE ON COMPULSORY CIVIL LIABILITY INSURANCE OF MOTOR VEHICLE USERS

Article 31. Database management, operation and extraction principles

1. Database on compulsory civil liability insurance of motor vehicle users is a database for statistics, update and total systemization of information related to motor vehicles and motor vehicle users participating in compulsory civil liability insurance of motor vehicle users according to this Decree serving management and supervision affairs of the Government and operations of insurance enterprises. Database must not violate rights of insurance buyers and insurance beneficiaries and must not include government secrets.

2. Database must be connected with databases on technical inspection and environmental protection, motor vehicle registration, road traffic violations, traffic accidents and other relevant

databases and must allow ability to be upgraded and integrated with common database system of insurance market.

3. Council for managing motor vehicle insurance fund shall manage, extract, develop and maintain operation of the database. Insurance enterprises shall provide and update information and data while acting as entities extracting, benefitting and using database.

4. Ministry of Finance shall supervise management, operation, extraction and development of database specified under this Decree.

5. Information and data must be kept safely, securely and discretely to avoid possible accidents, disasters and prevent illegal external access.

Article 32. Tasks and powers of Council for managing motor vehicle insurance fund

1. Developing and implementing policies on managing, decentralizing, updating data, extracting, using and securing information in database.

2. Cooperating with insurance enterprises in consolidating recommendations, upgrading and finalizing database to report to Ministry of Finance; adjusting and finalizing system configuration and executing projects for connecting and upgrading database; submitting reports on implementation progress and results to Ministry of Finance.

3. Regularly examining and monitoring periodic information, data update of insurance enterprises; receiving and consolidating difficulties and recommendations of insurance enterprises and taking actions as per the law. For cases that exceed their competence, Council for managing motor vehicle insurance fund shall report to Ministry of Finance.

4. Before the 20th of the month following the last day of a quarter, consolidating and reporting to Ministry of Finance on data update situations of insurance enterprises.

Article 33. Tasks of powers of insurance enterprises

1. Developing and operating information technology system to guarantee statistical affairs, update on implementation of compulsory civil liability insurance of motor vehicle users and connection to database on compulsory civil liability insurance of motor vehicle users. Insurance enterprises must upload following basic information on database system:

a) Information on motor vehicle users: Name, address, phone number (if any), ID number/Citizen Identity Card number of motor vehicle users or passport number (for individual motor vehicle users);

b) Information on motor vehicles: license plate number or chassis number, engine number, type of vehicles, payload (for automobiles), seats (for automobiles), use purposes (for automobiles), brands, capacity, paint color, year of manufacturing;

- c) Information on insurance enterprises: Name, address and hotline number;
 - d) Civil insurance liabilities for third party and passengers:
 - dd) Responsibilities of motor vehicle users and operators in case of accidents;
 - e) Insurance duration, certificates of insurance number, insurance premiums, deadline for payment of insurance premiums, date of issue, place of issue; issuing personnel (if any);
 - g) Information on compulsory civil liability insurance of motor vehicle users; information on accidents, administrative penalties and registration related to motor vehicles collected by connecting to databases of Ministry of Transport and Ministry of Public Security.
2. Before the 15th of each month, connecting and inputting data in database, and ensuring timeliness, accuracy and adequacy of data according to this Decree. In case insurance enterprises fail to implement, their rights to extract and utilize the data base shall be restricted.
 3. Extracting data of the enterprises, common data, and data consolidated of the market regarding implementation of compulsory civil liability insurance of motor vehicle users.
 4. Notifying on difficulties during extraction, use and proposing solutions to motor vehicle insurance fund.
 5. Cooperating with motor vehicle insurance fund in adjusting, finalizing system configuration and implementing projects on connecting and upgrading database.
 6. Other tasks and powers as per the law.

Chapter V

IMPLEMENTATION

Article 34. Responsibilities of Ministry of Finance

1. Publicizing implementation of compulsory civil liability insurance of motor vehicle users within state management functions and tasks.
2. Issuing Circulars on insurance premiums, insurance liabilities, specific expenditure of motor vehicle insurance fund, specific regulations on organizational structure for management, operation and preparation of estimates, account and statement of motor vehicle insurance fund, procedures and dossiers on humanitarian payments from motor vehicle insurance fund, repayment of advance made by insurance enterprises according to Clause 3 Article 19 of this Circular.
3. Notifying rate of annual contribution to motor vehicle insurance fund on the basis of request of the IAV.

4. Examining and supervising management, use, payment and settlement of motor vehicle insurance fund; supervising management, operation, extraction and development of database.
5. Taking charge inspecting and supervising insurance enterprises in implementation of compulsory civil liability insurance of motor vehicle users.
6. Taking charge guiding the IAV and insurance enterprises to develop databases on compulsory civil liability insurance of motor vehicle users.
7. Issuing Decisions on establishment and assignment of members of Vietnamese agency implementing Protocol No. 5 on ASEAN Program for compulsory motor insurance.

Article 35. Responsibilities of Ministry of Public Security

1. Publicizing implementation of compulsory civil liability insurance of motor vehicle users within state management functions and tasks.
2. Directing traffic police and other relevant police forces to supervise, examine, detect and impose penalties against administrative violations of motor vehicle users, motor vehicle operators who violate compulsory civil liability insurance of motor vehicle users.
3. Directing traffic police and investigating police to provide copies of documents related to traffic accidents according to Clause 4 Article 15 of this Decree within 5 working days from the date on which investigation results are available.
4. Directing traffic police and other relevant police forces to prevent crimes in compulsory civil liability insurance sector of motor vehicles and cooperate with entities of Ministry of Finance in inspecting and supervising insurance enterprises in implementing compulsory civil liability insurance of motor vehicle users.
5. Sharing and providing information under management by public security sector to database on compulsory civil liability insurance on motor vehicle user to serve management of compulsory civil liability insurance of motor vehicle users according to regulations and law on managing connection and sharing of digital data of regulatory authorities.

Article 36. Responsibilities of Ministry of Transport

1. Cooperating with Ministry of Finance, Ministry of Public Security and relevant ministries in guiding and publicizing implementation of compulsory civil liability insurance of motor vehicle users.
2. Cooperating with Ministry of Finance in inspecting and supervising insurance enterprises in implementation of compulsory civil liability insurance of motor vehicle users.
3. Sharing and providing information under management of transport sector to database on compulsory civil liability insurance of motor vehicle users.

4. Cooperating with authorities in adopting measures to prevent and remediate road traffic as per the law.

Article 37. Responsibilities of Ministry of Health

Directing and guiding central, local medical facilities to provide copies of medical records, proof of injury, death certificates or confirmatory documents related to emergency medical treatment for victims of road traffic accidents to enable insurance enterprises to rapidly complete compensation dossiers and guarantee rights of insurance participants.

Article 38. Responsibilities of Ministry of Information and Communications

Directing central and local press, communication agencies to regularly publicize compulsory civil liability insurance of motor vehicle users.

Article 39. Responsibilities of ministries, ministerial agencies and governmental agencies

1. Cooperating with Ministry of Finance in inspecting and supervising implementation of compulsory civil liability insurance of motor vehicle users.
2. Cooperating with Ministry of Information and Communication in publicizing implementation of compulsory civil liability insurance of motor vehicle users within state management functions and tasks.
3. Vietnam Television and Voice of Vietnam shall spend a definite broadcast period to publicize compulsory civil liability insurance of motor vehicle users.
4. Executing other tasks within their competence as per the law.

Article 40. Responsibilities of People's Committees of provinces and central-affiliated cities

1. Directing authorities to organizing implementation of compulsory civil liability insurance of motor vehicle users within local administrative divisions.
2. Directing local press and media agencies to regularly publicize compulsory civil liability insurance of motor vehicle users.
3. Cooperating with Ministry of Public Security in directing local traffic police and other relevant police forces to inspect and take actions against motor vehicle users who refuse to participate in compulsory civil liability insurance of motor vehicle users.
4. Executing other tasks within their competence as per the law.

Article 41. Responsibilities of Border Guard High Command

1. Cooperating with Ministry of Finance and relevant agencies in organizing implementation of Protocol No. 5 on ASEAN Program for compulsory motor insurance.

2. Directing Border Guard of road checkpoints to inspect and control compliance with compulsory civil liability insurance of users of transiting motor vehicles.

Article 42. Responsibilities of National Traffic Safety Committee

1. Cooperating with Ministry of Finance, Ministry of Public Security and relevant ministries in guiding and publicizing implementation of compulsory civil liability insurance of motor vehicle users.

2. Cooperating with motor vehicle insurance fund in organizing implementation of publicizing and educating; preventing and limiting losses; making humanitarian payments according to this Decree.

Article 43. Responsibilities of Vietnamese Agency implementing Protocol No. 5 on ASEAN Program for compulsory motor insurance

1. Acting as standing agency assisting relevant ministries in implementing Protocol No. 5 on Program for compulsory motor vehicle insurance.

2. Conducting research and requesting Ministry of Finance to request competent authorities to finalize regulations on compulsory civil liability insurance of motor vehicle users and facilitate implementation of ASEAN Program for compulsory motor insurance.

Article 44. Responsibilities of Vietnam Automobile Transportation Association

1. Cooperating with Ministry of Finance, Ministry of Public Security and relevant ministries in guiding and publicizing implementation of compulsory civil liability insurance of motor vehicle users.

2. Directing and guiding associations of provinces to cooperate with People's Committees of provinces or central-affiliated cities in guiding and publicizing implementation of compulsory civil liability insurance of motor vehicle users.

Article 45. Responsibilities of Insurance Association of Vietnam

1. Before March 31 of each year, proposing rate of contribution to motor vehicle insurance fund to Ministry of Finance according to Clause 2 Article 26 of this Decree.

2. Publicizing implementation of compulsory civil liability insurance of owners of motor vehicles.

Chapter VI

IMPLEMENTATION

Article 46. Transition clauses

Contracts for civil liability insurance of motor vehicle users concluded before the effective date hereof shall continue to comply with regulations and law applicable at the time of concluding. In case of amendments after the effective date hereof, comply with this Decree.

Article 47. Entry into force

1. This Decree comes into force from March 1, 2021.
2. This Decree replaces Decree No. 103/2008/ND-CP dated September 16, 2008 of the Government on compulsory civil liability insurance of motor vehicle users and Decree No. 214/2013/ND-CP dated December 20, 2013 of the Government on amendments to Decree No. 103/2008/ND-CP.
3. Ministers, heads of ministerial agencies, heads of Governmental agencies, Chairpersons of People's Committees of provinces and central-affiliated cities, and regulated entities of this Decree are responsible for implementation of this Decree.

**PP. GOVERNMENT
PRIME MINISTER**

Nguyen Xuan Phuc

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