

Law No. 260/2008
on compulsory home insurance against earthquakes, landslides and floods

In force as of 10 March 2009

The consolidation of 21 January 2016 is based on the publication in the Official Journal of Romania, Part I No. 635 of 15 October 2013 and incorporates the amendments made by Law 191/2015; The last amendment was made on 19 November 2015.

CHAPTER I
General Provisions

Art. 1. - This law regulates:

- a) the conditions for the compulsory home insurance owned by natural or legal persons;
- b) the relations between the insured person and the insurer, and the rights and obligations of each party to the compulsory home insurance contract;
- c) the establishment, tasks, organisation and operation of the Insurance Pool against Natural Disasters.

Art. 2. – For the purposes of this law, the terms and expressions below shall have the following meanings:

- a) dwelling, social housing, staff accommodation, on-site housing [*in Romanian: locuință de intervenție*], catastrophe temporary housing [*in Romanian: locuință de necesitate*], accommodation for officials [*in Romanian: locuință de protocol*], holiday house – shall have the meanings provided for in Art. 2 of Dwelling Law No. 114/1996, republished, as subsequently amended and supplemented; in the case of condominium accommodation, dwelling shall mean both the exclusively owned premises and the share of the undivided co-ownership over the common premises and construction elements;
- b) natural disaster – means the earthquakes, landslides and floods, as natural phenomena;
- c) types of dwellings:

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- A type - means the construction whose frame structure is of reinforced concrete, metal or wood, or whose exterior walls are of stone, baked brick, wood or of any other materials resulting from a heat and/or chemical treatment;

The line was amended by Law No. 191/2015 on 9 July 2015

- B type - means the construction whose exterior walls are of un-baked brick or of any other material that has not been exposed to a heat and/or chemical treatment;

d) insurance policy against natural disasters, hereinafter referred to as PAD – means the document attesting to the conclusion of the home insurance contract, based on which the insurer undertakes to pay the total or partial compensation to the insured person, subject to the terms and within the limits established by this law and the rules issued for its application;

The letter was amended by Law No. 191/2015 on 9 July 2015

e) Insurance Pool against Natural Disasters, hereinafter referred to as PAID – means the insurance/reinsurance undertaking, established through the association of the insurance undertakings authorised to cover catastrophe risks, in accordance with the provisions of this law, Law No. 32/2000 on the insurance activity and supervision of insurance, as subsequently amended and supplemented, Company Law No. 31/1990, republished, as subsequently amended and supplemented, and with the rules approved for the implementation of these laws;

Application

f) compulsory premium – means the amount of money paid by the homeowner, in his capacity as insured person, or such homeowner's attorney-in-fact, policyholder or legal representative, to conclude a home insurance, under this law;

g) compulsorily insured amount – means the maximum compensation granted by the insurer for the damage caused to the construction, depending on the dwelling type, as a result of the occurrence of the insured risk, under this law;

h) first risk insurance – means that, for any damage caused during the validity of an insurance contract, the amount of the compensation shall be established at the level of the actual damage, within the limits of the insured amount;

i) ~~insurance certificate~~ – means the document attesting to the existence of a PAD compulsory insurance policy for that dwelling, issued together with the PAD insurance policy.

The letter was repealed by Law No. 191/2015 on 9 July 2015.

Art. 3. - (1) As of the date on which 90 days have passed since the adoption of the rules by the Ministry of Administration and Interior and the Insurance Supervisory Commission*), issued for the application of this law, natural and legal persons must insure against natural disasters, under this law, all constructions intended for housing, urban or rural, owned by them and registered in the records of tax bodies.

*) Order No. 6/87/2011 of the President of the Insurance Supervisory Commission and of the Minister of Administration and Interior approving the Rules implementing Law No. 260/2008 on compulsory home insurance against earthquakes, landslides and floods, published in the Official Journal of Romania, Part I, No. 315 of 6 May 2011, was issued in 2011. Currently, in accordance with Government Emergency Ordinance No. 96/2012 establishing certain reorganisation measures within the central public administration and amending certain legislative acts, approved as amended and supplemented by Law No. 71/2013, as subsequently amended and supplemented, the Ministry of Administration and Interior was replaced by the Ministry of Regional Development and Public Administration – in the case of the “public administration” domain and by the Ministry of Home Affairs – in the case of “home affairs” domain.

(2) The obligation to conclude home insurance contracts for dwellings owned by the state or by administrative-territorial units shall lie with the persons or authorities appointed under the law to manage the same.

(3) Where a dwelling forms the object of a financial lease contract, the obligation to conclude the insurance contract shall lie with the lessor.

(4) In the case of the persons receiving social allowances, the payment of the insurance premiums shall be made by the county paying and social inspection agencies directly to the PAID account in accordance with the legal provisions.

Application

The paragraph was amended by Law No. 191/2015 on 9 July 2015

(5) In the case of co-owned constructions intended for housing, a compulsory insurance contract shall be concluded for each dwelling. In this case, the insurance premium shall be paid for each dwelling.

(6) The dwellings located in buildings which have been subject to a technical expertise under the law by certified technical experts and classified by a technical expertise report in the 1st class of seismic risk shall not be insured against any of the risks provided for in this law, prior to the acceptance date upon completion of the consolidation works to those buildings.

(7) Neither the adjoining parts, appurtenances, facilities nor the utilities which are not structurally attached to the building where the dwelling is located or the goods inside the dwelling shall be covered by this law.

This paragraph was amended by Law No. 191/2015 on 9 July 2015

(8) Where controls are carried out by competent authorities, the PAD insurance policy constitutes proof of the existence of the PAD compulsory insurance.

This paragraph was amended by Law No. 191/2015 on 9 July 2015

(9) Insurance-reinsurance undertakings authorised to cover catastrophe risks may not conclude voluntary insurance for a dwelling for which no PAD compulsory insurance has been previously concluded.

This paragraph was inserted by Law No. 191/2015 on 9 July 2015

Art. 4. – The contractual elements and insurance conditions included in the insurance policy, and also the criteria for the authorisation of insurers shall be those set out in Art. 7(1) and Art. 25(1), and those established by ASF's rules.

This paragraph was amended by Law No. 191/2015 on 9 July 2015

CHAPTER II

Insurance policy against natural disasters

SECTION 1

Compulsorily insured amount and conditions of the compulsory home insurance

Art. 5. - Application

(1) The insured amount which may be granted under this law, hereinafter referred to as compulsorily insured amount, shall be the RON equivalent, at the exchange rate communicated by the National Bank of Romania on the date of the conclusion of the compulsory home insurance contract, of:

- a) EUR 20,000, for each A type dwelling;
- b) EUR 10,000, for each B type dwelling.

(2) The premiums due for the insured amounts referred to in Para (1), hereinafter referred to as compulsory premiums, shall be the RON equivalent, at the exchange rate communicated by the National Bank of Romania valid on the payment date, of:

- a) EUR 20, for the amount referred to in Letter a) of Para (1);
- b) EUR 10, for the amount referred to in Letter b) of Para (1).

(3) The compulsorily insured amount, and the related compulsory premium, may be modified by ASF's rule.

This paragraph was amended by Law No. 191/2015 on 9 July 2015

(4) The criteria based on which the modification is made shall be established by the rules implementing this law and must be targeted at least to the surface area of the dwelling, replacement costs and inflation rate.

(5) The dwellings having at the same time elements specific to the A type and elements specific to the B type shall be classified by types of dwellings under the conditions laid down in the rules issued by ASF, given the criterion on the weight of construction materials.

Art. 6. - Application

PAD shall cover the damage caused to constructions intended for housing by any form of natural disasters, as a direct or indirect effect of the occurrence of the insured risks.

Art. 7. - Application

(1) The compulsory home insurance contract shall be concluded in writing, either directly between PAID and the homeowner, or through the insurance-reinsurance undertakings authorised to cover catastrophe risks, by way of derogation from the provisions of Law No. 32/2000, as subsequently amended and supplemented, and must meet at least the following conditions:

This paragraph was amended by Law No. 191/2015 on 9 July 2015

a) the insured amount must be equal to that compulsorily insured, referred to in Art. 5(1) Letter a) or Letter b), as appropriate;

b) the risk insured by contract must cover the risks set out in Art. 6.

(2) The terms, conditions and clauses of the home insurance contracts referring to the compulsorily insured amount, compulsory premium and risks set out in Art. 6, hereinafter referred to as mandatory clauses, shall be generally valid and binding and shall be established by the implementing rules of this law approved by ASF's rules.

This paragraph was amended by Law No. 191/2015 on 9 July 2015

(3) PAD must comprise at least the following elements:

a) the name and office/domicile of the contracting parties;

b) the name of the insurance beneficiary;

c) the dwelling type and its address;

d) the compulsorily insured amount;

e) the compulsory premium and payment deadlines therefor;

f) the validity term of the insurance contract;

g) the number and the title of the legislative act based on which the PAD has been issued, and the number and the date of its publication in the Official Journal of Romania, Part I.

(4) PAD may be printed by PAID or issued in electronic system by the insurance undertakings authorised to cover catastrophe risks or by PAID, in compliance with the rules on the processing of personal data within the competitive market, its express regulation being made by the rules issued by ASF.

Art. 8. – The condition regarding the existence of the compulsory home insurance shall be deemed met under this law, where, cumulatively:

- a) PAD insures the construction intended for housing for the compulsorily insured amount;
- b) PAD covers the risks set out in Art. 6;
- c) the insured person has paid the compulsory premium.

SECTION 2
Validity of PAD
Application

Art. 9. - (1) The PAD shall be valid 12 months, from 00:00 hours of the fifth calendar day after the date when the compulsory premium has been paid and the insurance contract concluded.

This paragraph was amended by Law No. 191/2015 on 9 July 2015.

(11) In the case of the policies which are renewed, they shall enter into force at 00:00 hours of the day following that on which the insurance premium has been paid and the insurance contract concluded.

This paragraph was inserted by Law No. 191/2015 on 9 July 2015.

(12) In well-defined cases regulated by ASF's rules, PAID may conduct a risk inspection at the dwelling which forms the object of the compulsory insurance, and the expenses incurred with such inspection shall be borne by PAID.

This paragraph was inserted by Law No. 191/2015 on 9 July 2015

(2) Where the owner of a dwelling which is covered by compulsory insurance is changed and the premium has been paid in full, the PAD shall remain valid until the date stated in the contract.

(3) Prior to the expiry of the validity stated in the PAD, the insurer shall conclude a compulsory insurance with the new owner, following that which shall expire, and shall send the modifications made to the database managed by PAID.

Art. 10. – The person who shall become the owner of a dwelling not insured against the risks set out in Art. 6, after the expiry of the time limit set out in Art. 3(1), must conclude a PAD for the same type of dwelling, within 5 working days after the authentication of the ownership title.

Art. 11. - (1) The validity of the PAD shall cease where the insured construction loses entirely its destination of dwelling or where the asset has perished for reasons other than those mentioned in

the compulsory insurance. The loss of such destination does not compel the insurer which has issued the PAD to repay the amount corresponding to the value of the compulsory premium.

(2) The insurance beneficiaries and insured persons who, after the entry into force of this law, shall build, extend or modify dwellings without a construction permit issued in accordance with the law, or in breach of such permit, thus affecting the load bearing structure of the dwelling and facilitating the exposure to one of the compulsorily insured risks, shall not be compensated based on the compulsory insurance, in the event the insured risk occurs.

SECTION 3

Insurance premium

Application

Art. 12. - Art. 12. – was amended by Law No. 191/2015 on 9 July 2015

(1) The payment of the compulsory premiums shall be made in advance, prior to the expiry of the validity of the PAD.

(2) For social housing, the premium for the compulsory insurance shall be the responsibility of the local authority and shall be paid directly in the PAID's account. For social housing or for the persons receiving social allowances, PAID shall issue the insurance policies based on the lists sent by the local authorities or county paying and social inspection agencies, as appropriate.

Art. 13. - (1) Insurers shall withhold a share as commission from the amounts collected as compulsory insurance premium.

(2) The commission collected by the insurance undertakings authorised to cover catastrophe risks, for the corresponding PAD insurance, shall be established by ASF's rule.

This paragraph was amended by Law No. 191/2015 on 9 July 2015

SECTION 4

Rights and obligations of the insured person and insurer

Art. 14. – The insured person, attorney-in-fact or policyholder undertakes, by the PAD, to pay the compulsory premium to the PAID, and the PAID undertakes to pay the insured person, where the compulsorily insured risk occurs, the compensation resulting from the PAD concluded under the terms of this law and rules issued by ASF for the application of this law.

Art. 15. - *Application.*

As provided by the PAD, the insured person shall have the following obligations and rights:

1. obligations:

- a) to pay the compulsory premium, under the terms of this law;
- b) to fulfil any other obligations and comply with the conditions set out by this law.

2. rights:

- to collect the compensation resulting from the PAD, where the compulsorily insured risk occurs.

Art. 16. - The PAD provides that the insurance undertakings issuing compulsory home insurance, under the terms of this law, shall have the following obligations and rights:

1. obligations:

- a) to establish and assess the damage, set the compensation amount and settle the loss files within the time limits and under the terms laid down in the rules issued by ASF for the application of this law;
- b) to fulfil any other obligations and comply with the conditions set out by this law;
- c) to issue the insurance policy to the insured person at the time of conclusion of the PAD compulsory insurance;

This letter was amended by Law No. 191/2015 ON 9 July 2015

2. rights:

- to withhold the commission from the value of the compulsory premium paid, in the amount set out by ASF's rule.

The line was amended by Law No. 191/2015 on 9 July 2015

SECTION 5

Obligations of the local public administration authorities

Art. 17. - (1) The mayors, through their specialised departments, shall provide PAID bi-annually, in June and December of each year, with the list of all constructions intended for housing, including those intended for social housing, located within the administrative-territorial area concerned, in compliance with the format made available by the PAID.

Application

This paragraph was amended by Law No. 191/2015 on 9 July 2015

(11) Insurance-reinsurance undertakings authorised to conclude home insurance shall provide PAID bi-annually with the list of natural and legal person owners who concluded a voluntary insurance policy for buildings intended for housing, as defined in this law.

This paragraph was inserted by Law No. 191/2015 on 9 July 2015

(2) PAID shall provide city halls, bi-annually, in electronic form, with the list of the owners who concluded compulsory insurance contracts.

Application

This paragraph was amended by Law No. 191/2015 on 9 July 2015

(3) The mayors, through their specialised departments, shall send within 3 days after the date of receipt of the list, notification letters, with acknowledgment of receipt, to the persons who did not conclude the PAD for the dwellings owned by them.

This paragraph was amended by Law No. 191/2015 on 9 July 2015

(4) <repealed> In the case of the owners of constructions intended for housing who also declare a personal email address, PAID may use, with their consent, such communication means to notify them of the expiry of or failure to conclude the PAD. The electronic message shall indicate the value of the insurance premium. Such electronic message shall also be sent to the mayors' specialised departments of the administrative-territorial unit within whose area the building concerned is located, where there are technical conditions to receive such message.

This paragraph was repealed by Law No. 191/2015 on 9 July 2015

(5) <repealed> The list of the owners who did not conclude the PAD and of the persons for whom the compulsory premium is partially or fully subsidised shall be provided to the insurance undertakings authorised to cover catastrophe risks, in compliance with the rules on the processing of personal data within the competitive market, its express regulation being made by rules issued by ASF.

This paragraph was repealed by Law No. 191/2015 on 9 July 2015

SECTION 6

Claims, establishment of the damage and payment of the compensation

Application

Art. 18. - (1) Where any of the compulsorily insured risks occurs, the claim may be made only by the beneficiaries of the PAD and shall be sent to the insurer that issued the policy.

(2) The following categories of persons shall be beneficiaries of the PAD:

1. For natural persons:

a) the owners of constructions intended for housing, insured under the terms of this law;

- b) the persons expressly declared in the PAD as beneficiaries by the owners referred to in Letter a);
- c) the legal and/or testamentary successors of the persons referred to in Letter a), where they deceased, with the proper application of the laws of succession, unless there is a beneficiary appointed as provided for in Letter b);

2. For legal persons:

- a) the owners of the constructions intended for housing, insured under the terms of this law;
- b) in the case of the dwellings provided for in Art. 3(2), the persons or authorities appointed, under the law, to manage the same;
- c) the persons expressly declared in the PAD as beneficiaries by the insured persons.

(3) Where the beneficiaries referred to in Para (2), Point 1, Letter a), are minors, the claims shall be made in their name by their legal representatives, appointed under the law.

Art. 19. - Application

(1) The insurer that issued the PAD shall establish and assess the damage and set the amount of the compensation, in accordance with the rules issued by ASF for the application of this law.

(2) In the case of the policies issued directly by PAID, the claim shall be sent directly to PAID and, by way of derogation from the provisions of Para (1), the establishment and assessment of the damage and the loss adjustment may be also made by an undertaking appointed by PAID, in accordance with the rules issued by ASF.

This paragraph was amended by Law No. 191/2015 on 9 July 2015

(3) Where the insurer that issued the PAD informs the PAID in writing of the impossibility to examine the loss files within the established time limits, PAID may appoint another undertaking, in accordance with the rules issued by ASF.

This paragraph was amended by Law No. 191/2015 on 9 July 2015

(4) The compensation shall be paid directly by PAID based on a summary sent by the insurer that established and assessed the damage.

(5) Where a person has concluded both a compulsory insurance contract and a voluntary insurance contract, the payment of the compensation shall be made first under the compulsory insurance contract and, for the remaining of the compensation not covered, the payment shall be made under the voluntary insurance contract. The insured value taken into account upon the calculation of the voluntary insurance instalment is the difference between the total value of the insured dwelling and the insured value taken into account when establishing the compulsory insurance instalment.

(6) Where the compensation is not paid when due, penalties shall be calculated and shall be paid to the insured person, under the terms and in the amount established by ASF.

(7) The amounts due as compensation may be deposited in bank accounts opened by the beneficiaries of the insurance, or paid in cash.

(8) The compensation offered by PAID for the damage covered by the PAD may not exceed the value of the compulsorily insured amount.

(9) The PAID shall reimburse the insurers for the expenses made for the establishment and assessment of the damage resulting from the occurrence of the compulsorily insured risks. The modality for allocating the expenses to be reimbursed and for determining the maximum ceiling for the compulsory insurance shall be established by ASF's rules.

Art. 20. - PAID shall pay the insured persons only the counter value of the repair/replacement costs concerning the damage caused by the occurrence of the insured risk, within the limits of the total amount insured through the PAD.

Art. 21. – For the risks set out in Art. 6, the amounts paid by the PAID to the insured person, as compensation, under the PAD, shall be constituted based on the first risk insurance principle.

Art. 22. - (1) The natural or legal person owners who do not have their dwellings insured under the terms of this law, shall not receive, where any of the natural disasters defined under this law occurs, any compensation from the state or local budget for the damage caused to dwellings.

(2) The natural persons who received compensation, under the terms of this law, for the damage resulting from the occurrence of a natural disaster shall not benefit from the provisions of Law No. 114/1996, republished, as subsequently amended and supplemented, which refer to the offering of social housing.

SECTION 7

Condominium accommodation

Art. 23. - Art. 23 was amended by Law No. 191/2015 on 9 July 2015

In the case of condominiums, a compulsory insurance contract shall be concluded for each dwelling.

CHAPTER III

The establishment, tasks, organisation and operation of the PAID

Art. 24. - (1) In order to ensure the management of the compulsory home insurance against natural disasters, the insurance/reinsurance undertaking, hereinafter referred to as PAID, shall be established under Law No. 32/2000, as subsequently amended and supplemented.

(2) PAID shall have the following tasks:

a) to print or issue the PAD in electronic system;

The letter was amended by Law No. 191/2015 on 9 July 2015

b) to conclude the reinsurance;

c) to manage the database concerning the constructions intended for housing, for which the PAD policies were issued;

The letter was amended by Law No. 191/2015 on 9 July 2015

d) to act as coordination centre for the activity of establishing the damage caused by any natural disasters, conducted by the authorised insurance undertakings.

(3) In terms of their status as insurance/reinsurance undertaking, the activity of PAID shall be regulated and supervised by ASF, under the law.

(4) To fulfil the tasks referred to in Para (2), PAID shall issue, with the approval of ASF, regulations concerning the organisation and operation of the undertaking, including the relation between the authorised insurance undertakings and PAID, the financial and information flows and any other aspects deemed necessary for the operation of the undertaking, under the terms of this law.

(5) The tasks of the statutory bodies and of the executive management of the PAID shall be established in accordance with Law No. 31/1990, republished, as subsequently amended and supplemented, Law No. 32/2000, as subsequently amended and supplemented, and with the rules issued by ASF for its application.

Art. 25. - (1) The insurance-reinsurance undertakings authorised by ASF to cover catastrophe risks may be shareholders of PAID. They alone or through or in liaison with other insurance undertakings controlled by the same persons or group of persons exercise rights arising from the holding of shares which cumulatively represent no more than 15% of the share capital of the PAID or confer upon the same no more than 15% of all voting rights within the general meeting of shareholders of PAID.

(2) After the formation of the PAID, the insurers meeting the condition referred to in Para (1) shall have the right to become shareholders in that undertaking under the same terms with the shareholders of PAID having the capacity as insurers authorised to cover catastrophe risks.

Art. 26. - <repealed> *Art. 26. – was repealed by Law No. 191/2015 on 9 July 2015.*

PAID shall pay dividends to the shareholders from the profit, if any, for the capital paid in upon its formation.

Art. 27. – The executive management of PAID shall be exercised by a general manager and a deputy general manager, who must meet the conditions set out in Law No. 32/2000, as subsequently amended and supplemented, and in the rules issued for its application.

Art. 28. – The key persons must meet the criteria set out in the rules issued by ASF for the application of Law No. 32/2000, as subsequently amended and supplemented, and those set out in Law No. 31/1990, republished, as subsequently amended and supplemented.

Art. 29. – The available funds of PAID may be deposited with credit institutions, in money market instruments, government securities or municipal bonds or in any other financial instruments, in accordance with Law No. 32/2000, as subsequently amended and supplemented.

CHAPTER IV Minor offences

Art. 30. - (1) The following deeds shall be deemed minor offences:

a) the natural or legal persons' failure to comply with the obligation to insure the dwellings referred to in Art. 3(1), except for the cases in which those persons are in the situation set out in Art. 11, or the period set out in Art. 33 has not expired;

b) the natural or legal persons' failure to comply with the obligation to insure the dwellings referred to in Art. 10;

c) the failure, in any manner whatsoever, by the insurance undertakings authorised to cover catastrophe risks, to comply with the provisions of this law.

(2) The minor offences referred to in Para (1) Letters a) and b) shall be sanctioned by fine ranging between RON 100 and RON 500.

(3) The mayors and the persons empowered for that purpose by them shall acknowledge the minor offences referred to in Para (1) Letters a) and b) and shall apply the sanctions.

(4) The minor offences referred to in Para (1) Letter c) shall be subject to the provisions of Law No. 32/2000, as subsequently amended and supplemented, and rules issued by ASF for its application.

(5) The corresponding fines established by this law shall accrue as income at the state budget at a rate of 40%, and the remaining of 60% shall accrue as income at the budget of the local authorities within whose territorial area the offender lives.

CHAPTER V Financial support for PAID

Art. 31. - (1) The Ministry of Public Finance is hereby authorised to contract loans for:

a) the payment of the reinsurance premium for the first year after the entry into force of this law, and for making up the difference, as appropriate, to the level of the reinsurance premium due for each of the following 4 years;

b) ensuring the availability of the financial resources necessary for the payment of the required compensation where the damage exceeds the maximum value which could be covered from the resources of PAID and by the reinsurance undertaking where the insured risks occur.

(2) The conditions for contracting the loans referred to in Para (1) shall be subsequently determined, in accordance with the legislation in force.

(3) The Ministry of Public Finance is hereby authorised to grant the contracted amounts as provided for in Para (1), by concluding with the PAID subsequent loan agreements under the law.

(4) The loans shall be repaid from the PAID's own resources.

Art. 32. – The central and local public administration authorities shall provide in the annual budget for the amounts necessary for the payment of the compulsory premium for the dwellings owned by the state and by the administrative-territorial units.

CHAPTER VI

Final provisions

Art. 33. – For the first year, the owners of the constructions intended for housing must conclude compulsory home insurance contracts until the expiry of one year following the expiry of the time limit referred to in Art. 3(1).

Art. 34. – For 2009, the mayors, through their specialised departments, shall send the data referred to in Art. 17(1) to PAID, as follows:

a) in the case of cities/municipalities, within one month after the date of adoption of the rules by ISC*), issued for the application of this law;

b) in the case of communes, within 3 months from the date of the adoption of the rules by ISC*), issued for the application of this law.

*) Currently, the wording “Insurance Supervisory Commission” was replaced with “Financial Supervisory Authority”, in accordance with Government Emergency Ordinance No. 93/2012 on the establishment, organisation and operation of the Financial Supervisory Authority, approved as amended and supplemented by Law No. 113/2013, as subsequently amended and supplemented.

Art. 35. – In the application of this law, ASF shall issue rules concerning:

a) the criteria for the authorisation of insurers for the conclusion of compulsory home insurance;

b) the form and clauses of the PAD policy, and also the form of the insurance certificate;

c) the establishment of the commissions receivable under the terms of this law;

d) the conditions for reinsurance cessions of the risks insured by the PAD;

- e) the establishment of the claims reserve insured by PAD, with the application of the separate management for the compulsory home insurance activity;
- f) the establishment, assessment and adjustment of losses;
- g) the aspects for which this law expressly provides that they are regulated in this way.

Art. 36. – In order to fulfil the tasks established by this law, PAID shall conclude collaboration protocols with the authorities, institutions or associations whose contribution to the achievement of the purpose of this law is deemed necessary.

Art. 37. – This law shall be supplemented accordingly with the civil, commercial and insurance-reinsurance laws.

Art. 38. – The rules for the application of this law shall be adopted by the Ministry of Regional Development and Public Administration and ASF and shall be published in the Official Journal of Romania, Part I.

Art. 39. – This law shall enter into force 120 days after the date of its publication in the Official Journal of Romania, Part I.

NOTE:

The provisions of Art. II-IV of Law No. 243/2013 which are not incorporated in the republished form of Law No. 260/2008 and which continue to apply as the amending law's own provisions are hereby reproduced below:

“Art. II. – The wording *authorised to conclude compulsory home insurance* is replaced with the wording *authorised to cover catastrophe risks* throughout Law No. 260/2008 on compulsory home insurance against earthquakes, landslides and floods, republished, as subsequently amended and supplemented by this law.

Art. III. - The wording *Insurance Supervisory Commission, referred to as ISC*, is replaced with the wording *Financial Supervisory Commission, referred to as ASF*, throughout Law No. 260/2008 on compulsory home insurance against earthquakes, landslides and floods, republished, as subsequently amended and supplemented by this law.

Art. IV. – The insurance contracts existing on the date of the entry into force of this law shall remain valid under the terms established at the time of their conclusion.”