

THE RUSSIAN FEDERATION
THE FEDERAL LAW
ON COMPULSORY GENERAL AND EMPLOYERS’
LIABILITY INSURANCE OF AN OWNER OF A HAZARDOUS OBJECT FOR DAMAGES
IN CASE OF AN ACCIDENT INVOLVING THE HAZARDOUS OBJECT

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Chapter 1. GENERAL PROVISIONS

Article 1. Relations regulated by the present Federal Law

1. The present Federal Law regulates the relations concerning compulsory general and employers’ liability insurance of an owner of a hazardous object for damages in case of an accident involving the hazardous object (hereinafter - compulsory insurance).

2. The present Federal Law does not apply to relations arising from:

- 1) damages outside of the Russian Federation, as well as other territories under the jurisdiction of the Russian Federation in accordance with the legislation of the Russian Federation and international law regulations;
- 2) usage of atomic energy;
- 3) causation of harm to the environment.

Article 2. Basic concepts

For purposes of the present Federal Law the following basic concepts apply:

1) the injured - individuals, including employees of the insured, life, health and/or property of which, including as a result of a violation of living conditions got damaged in case of an accident involving a hazardous object, legal persons whose property got damaged in case of an accident involving a hazardous object. The provisions of the present Federal Law apply to the injured – an individual, as well as to persons eligible for compensation as a result of death of each injured (breadwinner) in accordance with the civil law;

2) an accident involving a hazardous object - damage or destruction of facilities, technical devices

used on a hazardous object, explosion, release of dangerous substances, failure or damage of technical equipment, deviation from the regime of the engineering process, discharge of water from the reservoir, liquid wastes of industrial and agricultural organisations, that arose during maintenance of a hazardous object, and inflicted damage to the injured;

3) violation of living conditions - a situation which has arisen as a result of an accident involving a hazardous object and in which a certain area cannot be habituated because of loss or damage to the property, a threat to life or health;

4) an owner of a hazardous object - a legal entity or an individual entrepreneur that possess a hazardous object on the right of ownership, right of economic or operational management, or on other legal grounds, and maintains a hazardous object;

5) maintenance of a hazardous object – an entry of a hazardous object into operation, usage, maintenance, conservation, and liquidation of a hazardous object, as well as manufacturing, installation, adjustment, servicing and repair of technical devices used on a hazardous object;

6) the insured - an owner of a hazardous object, which entered into a contract of compulsory general and employers' liability insurance for damages caused to the injured in case of an accident involving the hazardous object (hereinafter – contract of compulsory insurance);

7) the insurer – an insurance company, licensed to implementation of compulsory insurance issued in accordance with the legislation of the Russian Federation;

8) the insured sum - the amount, within which the insurer is obliged to carry out insurance payments to the injured upon occurrence of each insured event, regardless of their numbers during the period of the contract of compulsory insurance;

9) the insurance rate - the rate of an insurance premium per unit of an insured sum, considering technical and constructional characteristics of a hazardous object;

10) the statement on the causes and circumstances of the accident - a document composed in accordance with the legislation on industrial safety of hazardous industrial objects, the legislation on safety of hydraulic structures, the legislation in the field of protection of the population and territories from emergency situations, containing information about the causes and the circumstances of the accident, and other information, the statement is also included in the list of relevant documents stipulated by the rules of compulsory insurance;

11) the insurance statement - a document prepared by the insurer and contains information on their consideration of the request for insurance payment, including presence or absence of an insured event, the injured and the amount of insurance payments owed to him, or the grounds for denial of insurance payment;

12) compensation payments - payments made by a professional association of insurers as compensation for damages caused to the injured, in terms established by the present Federal Law.

Article 3. The object of compulsory insurance, insured risk and insured event

1. The object of compulsory insurance is the property interest of an owner of a hazardous object associated with his duty to compensate damages caused to the injured.

2. The insured risk is the possibility of occurrence of the general and employers' liability of an owner of a hazardous object on the obligations arising from damages caused to the injured.

3. The insured event is the occurrence of the general and employers' liability of an owner of a hazardous object on the obligations arising from damages caused to the injured during the period of the contract of compulsory insurance, which entails an obligation of the insurer to carry out insurance

payments to the injured.

Article 4. Implementation of compulsory insurance

1. An owner of a hazardous object is obliged at his own expense to insure property interest as an insured associated with the obligation to compensate the damages caused to the injured, by concluding a contract of compulsory insurance with the insurer for the whole period of operation of a hazardous object on the conditions and in procedures established by the present Federal Law.

2. Maintenance of a hazardous object is not allowed in the event of nonfulfillment of insurance responsibilities by an owner of a hazardous object established by the present Federal law.

3. In the event of a violation of requirements for compulsory insurance provided by the present Federal Law, owners of hazardous objects and their officials are responsible in accordance with the legislation of the Russian Federation.

Article 5. Hazardous objects

1. Hazardous objects owners of which are obliged to implement compulsory insurance need to be located on the territory of the Russian Federation, as well as other territories under the jurisdiction of the Russian Federation in accordance with the legislation of the Russian Federation and international law regulations:

- 1) hazardous industrial objects to be registered in the State Register in accordance with the legislation on industrial safety of hazardous industrial objects;
- 2) hydraulic structures to be registered in the Russian Register of hydraulic structures in accordance with the legislation on the safety of hydraulic structures;
- 3) gas stations of liquid motor fuel;
- 4) elevators, lifting platforms for disabled, escalators (except escalators in the subways).

2. Hazardous objects owners of which are obliged to implement compulsory insurance, do not include objects specified in Part 1 of the present Article and located within the boundaries of atomic energy objects.

Article 6. Insured sum and limit amounts of insurance payments to the injured

1. The insured sum under the contract of compulsory insurance is:

1) for hazardous objects, that require a development of a mandatory declaration on industrial safety or a declaration on the safety of hydraulic structures demanded by the legislation on industrial safety of hazardous industrial objects, or the legislation on the safety of hydraulic structures:

a) 6 billion 500 million rubles - if the maximum possible number of the injured, the lives or health of whom can be harmed, in an accident involving a hazardous object is more than 3000 people;

b) 1 billion rubles - if the maximum possible number of the injured, the lives or health of whom can be harmed, in an accident involving a hazardous object is more than 1500 people, but does not exceed 3000 people;

c) 500 million rubles - if the maximum possible number of the injured, the lives or health of whom can be harmed, in an accident involving a hazardous object is more than 300 people, but does not exceed 1500 people;

d) 100 million rubles - if the maximum possible number of the injured, the lives or health of whom can be harmed, in an accident involving a hazardous object is more than 150 people, but does not exceed 300 people;

e) 50 million rubles - if the maximum possible number of the injured, the lives or health of whom can be harmed, in an accident involving a hazardous object is more than 75 people, but does not exceed 150 people;

f) 25 million rubles - if the maximum possible number of the injured, the lives or health of whom can be harmed, in an accident involving a hazardous object is more than 10 people, but does not exceed 75 people;

g) 10 million rubles - for other hazardous objects,- that require the development of a mandatory declaration on industrial safety or a declaration on the safety of hydraulic structures;

2) for hazardous objects, that do not require the development of a mandatory declaration on industrial safety or a declaration on the safety of hydraulic structures demanded by the legislation on industrial safety of hazardous industrial objects, or the legislation on the safety of hydraulic structures:

a) 50 million rubles – for hazardous industrial objects of chemical, petrochemical and refining industries;

b) 25 million rubles - for usage and supply gas networks, including inter-settlement;

c) 10 million rubles - for other hazardous objects.

2. Amounts of insurance payments under the contract of compulsory insurance are:

1) two million rubles - in terms of compensation to individuals who have suffered as a result of death of each injured (breadwinner);

2) no more than 25 thousand rubles - as compensation for funeral expenses of each injured;

3) no more than two million rubles - in terms of compensation for damages caused to health of each injured;

4) no more than 200 thousand rubles - in terms of compensation for damages caused as a result of a violation of living conditions for each injured;

5) no more than 360 thousand rubles - in terms of compensation for damages caused to the property of each injured - an individual, except for damages caused as a result of a violation of living conditions;

6) no more than 500 thousand rubles - in terms of compensation for damages caused to the property of each injured - a legal entity.

Article 7. Insurance premium and the insurance rates

1. Insurance premium under the contract of compulsory insurance is defined as a product of an insured sum and an insurance rate in accordance with the present Federal Law.

2. The contract of compulsory insurance may provide the insured with the right of paying insurance premium in installments by contributing insurance premiums in order determined by the rules of compulsory insurance. The obligation to pay the insurance premium (installment premium) is considered fulfilled by the insured on the date of receiving funds in the bank account or in the cashier office of the insurer.

3. Insurance rates, the structure of insurance rates and the order of applying them in the calculation

of insurance premiums are determined by the Bank of Russia in accordance with the present Federal Law.

4. Insurance rates should be economically justified. A share of insurance premiums that was specifically intended for implementing insurance and compensation payments to the injured may not be composed of less than 80 percent of the insurance premium.

5. The period of validity of insurance rates may not be less than one year. In case of modifications during the period of the contract of compulsory insurance, the insurance premium on such contract does not change.

6. Insurance rates are composed of basic rates and coefficients.

7. Basic rates of insurance rates are determined based on the technical and constructional characteristics of hazardous objects.

8. Coefficients of insurance rates are determined depending on:

1) the damage that possibly might be caused as a result of an accident involving a hazardous object, and the maximum possible number of the injured;

2) the presence or absence of insurance claims that occurred during the period prior to the contract of compulsory insurance due to a violation of standards and rules of operating a hazardous object, determined by the legislation of the Russian Federation.

9. When calculating the insurance premium for the contract of compulsory insurance the insurer has a right to apply an additional reduction coefficient, which is determined by him on the basis of the safety level of a hazardous object, including observance of the requirements of technical and fire safety in operating a hazardous object, the preparedness to prevent, localize and liquidate an emergency situation which has resulted from an accident involving a hazardous object.

10. The coefficient indicated in Part 9 of the present Article cannot be more than 1.0 and less than 0.6.

11. The procedure for determining the damage that possibly might be caused as a result of an accident involving a hazardous object, the maximum possible number of the injured and the level of safety of a hazardous object is determined by a professional association of insurers in accordance with the present Federal Law.

12. Insurance rates established in accordance with the present Federal Law are mandatory for implementation by insurers. Insurers are not entitled to apply basic rates and/or coefficients that are different from the established insurance rates.

Article 8. Insurance payment

1. In case of an insured event the injured may file a claim for compensation for damage caused directly to the insurer. A relevant application of the injured is sent to the insurer compiled with documents confirming the damages caused and their size. The list of indicated documents is regulated by the rules of compulsory insurance. The injured is obliged to notify the insurer of their personal data required to implement insurance payment in accordance with the rules of compulsory insurance.

2. In case of causing damage to life or health of the injured the amount of insurance payment is:

1) two million rubles - for individuals entitled to compensation in case of death of each injured (breadwinner) in accordance with the civil law;

2) the amount necessary for compensation of funeral expenses - individuals who incurred such expenses, but no more than 25 thousand rubles;

3) the amount, determined based on the character and extent of damage caused to health according to standards established by the government of the Russian Federation - the injured, health of which got damaged, but no more than two million rubles.

3. If the size of damages caused to the injured exceeds the size limit of an insurance payment established by Part 2 of Article 6 of the present Federal Law, the difference between the insurance payment and the actual amount of damages caused is compensated by the owner of a hazardous object.

4. In case of death of the injured the insurance payment is compensated separately from payments on other types of insurance in accordance with the present Federal law.

5. The amount of insurance payment to the injured concerning compensations for damages caused to the property is determined in accordance with the rules of compulsory insurance taking into account the actual damage caused to the property.

6. The amount of insurance payment to the injured concerning compensations for damages caused due to a violation of living conditions, is determined based on the expenses paid by the injured related to moving to a place of temporary accommodation and visa-versa, related to living in a place of temporary accommodation, purchasing vital materiel. The indicated expenses, in the absence of documents confirming the amount of expenses paid are taken into account when determining the amount of insurance payment based on standards established by the rules of compulsory insurance.

7. The procedure for establishing a fact of a violation of living conditions and criteria, for which this fact was established, are approved by the order determined by the Government of the Russian Federation. Documents confirming the fact of a violation of living conditions on a certain area are issued by local governments with authority to address issues on organization and implementation of civil defense and protection of the population and territories from emergency situations within borders of the certain territory at the request of the injured.

8. Under the contract of compulsory insurance the insurer will not compensate for:

1) the damages caused to the property of the insured;

2) the expenses of the injured associated with a failure or improper performance of their civil and legal obligations;

3) the damages caused to the property of the injured, whose deliberate actions caused the accident involving the hazardous object;

4) the damages caused to the loss of profits, including ones that are associated with the loss of commercial value of the property, as well as moral damages.

9. The insurer is exempted from the obligation to make insurance payments, if the damages caused to the injured in case of an accident involving a hazardous object, occurred as a result of circumstances specified in paragraph 1 of Article 964 of the Civil Code of the Russian Federation, and as a result of sabotage and terrorist acts.

10. The total amount of all insurance payments under the contract of compulsory insurance related to one accident involving a hazardous object may not exceed the amount of an insured sum under the contract of compulsory insurance, established in accordance with Part 1 of Article 6 of the present Federal Law. If the insurance payments have to be made to several injured and the sum of their claims against the insurer on the day of the first insurance payment made for a certain insured event, exceeds the amount of insured sum:

1) first, the claims for compensation for damages caused to life or health of the injured – individuals are satisfied;

2) second, the claims for compensation for damages caused to the property of the injured -

individuals, including claims that occurred as a result of a violation of the living conditions are satisfied;

3) third, the claims for compensation for damages caused to the property of the injured - legal persons are satisfied.

11. In insufficiency of part of the insured sum remaining after satisfaction of claims of the injured of the first priority, for fulfillment of compensations to the injured of the next priority, the insurance payments are made within an appropriate type of priority in proportion to the insured sum (the remaining part) to the amount of claims made by the injured.

12. Insurance payment is carried out either by cash or a cashless payment basing on the decision made by the injured. The date of fulfillment of insurers' obligations to implement insurance payment is the date of receiving money in the bank account of the injured or the date of a payment from the cash office of the insurer.

Article 9. Rules of compulsory insurance

1. The order of implementing rights and obligation of parties under the contract of compulsory insurance determined by the present Federal Law and other Federal Laws is established by the Bank of Russia in the rules of compulsory insurance.

2. Rules of compulsory insurance, in particular, include provisions on:

1) the order of conclusion, change, renewal, cancellation (termination) of the contract of compulsory insurance, including a list of documents required for the implementation of these procedures;

2) the actions of individuals in the implementation of compulsory insurance, including in the occurrence of an insured event, as well as the list of required documents, which the insurer has to provide the insured;

3) the order of determining the amount of the insurance payment and its implementation, the list of required documents, including ones that contain personal information on the injured.

3. The rules of compulsory insurance may contain provisions of the present Federal Law and other Federal Laws that determine the conditions of the contract of compulsory insurance.

4. The rules of compulsory insurance have to contain a sample of the insurance policy, standard applications of the model contract of compulsory insurance, an application of the insured on compulsory insurance and a document containing information on compulsory insurance, provided by the insurer in accordance with Part 6 of Article 10 of the present Federal law.

Chapter 2. CONTRACT OF COMPULSORY INSURANCE

Article 10. Contract of compulsory insurance

1. Contract of compulsory insurance is concluded for each hazardous object for a period of not less than one year. A document confirming the conclusion of the contract of compulsory insurance is an insurance policy of an established form.

2. Contract of compulsory insurance is a public contract.

3. Contract of compulsory insurance comes into force from the date of execution of obligation to pay the insurance premium or the first insurance payment by the insured or from other date determined by the contract of compulsory insurance on conditions that the insurance premium or the first

insurance payment is paid prior to the date of coming into force of the contract of compulsory insurance.

4. In case of change of the owner of a hazardous object during the period of the contract of compulsory insurance, insurance rights and obligations under the contract pass onto the new owner of a hazardous object, if the new owner of a hazardous object notified the insurer in written form within 30 calendar days from the date of taking possession of a hazardous object. In the absence of such notification the contract of compulsory insurance is terminated from the 24 hour local time of the last day of the thirty-day period, and the insured with whom the contract of compulsory insurance was firstly conducted has the right to demand a return of part of the insurance premium that was paid proportionally to the unexpired term of the insurance and with deductions made by the insurer for costs of doing business and contributions to the reserve for financing compensation payments.

5. If a dangerous object ceased to correspond to the requirements established by the present Federal Law for hazardous objects, owners of which are obliged to implement compulsory insurance, the insured has the right to cancel the contract of compulsory insurance before the appointed time and to demand a return a part of the insurance premium that was paid proportionally to the unexpired term of insurance and with deductions made by the insurer for costs of doing business and contributions to the reserve for financing compensation payments.

6. Upon termination of the contract of compulsory insurance the insurer on demand of the insured provides information on the numbers and types of insured events, implemented and forthcoming insurance payments, considered and unsettled claims of the injured for insurance payments during the period of the present contract (hereinafter-information on compulsory insurance). Information on compulsory insurance is provided by the insurer in written form and free of charge.

7. Upon termination of the contract of compulsory insurance with an insurer information on compulsory insurance is provided by the owner of a hazardous object to another insurer and is considered by him when concluding another contract of compulsory insurance.

8. The limitation period for claims arising from the contract of compulsory insurance is three years.

Article 11. Basic rights and obligations of the insured

1. The insured is entitled to:

1) require an explanation of conditions for compulsory insurance, consultations on conclusion of a contract of compulsory insurance from the insurer;

2) with significant changes in circumstances reported to the insurer while concluding a contract of compulsory insurance, including a decrease in the damage that possibly might be caused in case of an accident involving a hazardous object, the maximum possible number of the injured, demand changes in conditions of the contract of compulsory insurance, including reducing the size of the insurance premium proportional to the reduction of an insurance risk;

3) familiarize with documents of the insurer relating to the implementation of the contract of compulsory insurance;

4) in case of an accident on a hazardous object demand a copy of the insurance statement from the insurer;

5) require a reimbursement from the insurer of expenses incurred for purposes of reducing losses from the insured event, if such expenses were necessary or were made for implementation of instructions of the insurer;

6) require a duplicate of an insurance policy free of charge in case of its damage or loss from the insurer;

7) prematurely withdraw from the contract of compulsory insurance.

2. The insured must:

1) upon concluding a contract of compulsory insurance send the insurer a statement on compulsory insurance of an established form with attached documents list of which is determined by the rules of compulsory insurance, including documents containing information on the hazardous object, the level of its safety, the damages that possibly might be caused in an accident involving a hazardous object and the maximum possible number of the injured necessary to determine the amount of the insurance premium;

2) pay an insurance premium (insurance payments) in amount and in terms established by the contract of compulsory insurance in accordance with the present Federal Law;

3) within five working days after the conclusion or modification of the contract of compulsory insurance send its copy to the federal executive authority performing within its competence, functions of control and supervision in the sphere of security of hazardous industrial objects or hydraulic structures;

4) assist in carrying out an expertise of a hazardous object assigned by the insurer in order to determine the damage that possibly might be caused in an accident involving a hazardous object, the maximum possible number of the injured and/or the level of safety of a hazardous object, ensure an access of specialized organisations and/or specialists on a hazardous object and provide necessary technical and other documentation;

5) notify the insurer of any changes made to the documents submitted to the insurer under a contract of compulsory insurance, within five working days from the date of such change;

6) In case of an accident involving a hazardous object:

a) within 24 hours after the accident involving a hazardous object report the accident to the insurer in order established by the rules of compulsory insurance;

b) take reasonable and available measures, in the circumstances provided to reduce the size of potential damage;

c) immediately provide the injured with information on the insurer, including name (corporate name) of the insurer, location, working schedule and phone numbers, or if the accident resulted in an emergency situation, publish the information in the press of the location of the hazardous object within three days after the accident;

d) within five working days from receiving the statement on the causes and circumstances of the accident, the documents on type and size of the damages caused send the insurer a copy of the following documents;

e) involve the insurer in investigation of the causes of the accident, including in cases where in accordance with the legislation of the Russian Federation, for such an investigation a commission with representatives from the federal executive authority performing within its competence, functions of control and supervision in the sphere of security of hazardous industrial objects or hydraulic structures or its territorial authority is not provided for.

3. In case of a claim made by the injured directly to the insured for compensation of the damages caused, the insured for satisfaction of the claims for compensation of damages caused has to immediately notify the insurer of the received requirements and within five working days from such claim send the insurer copies of the relevant documents. The insured is obliged to act in accordance

with instructions of the insurer, if the insured received a claim for compensation of damages caused, he should involve the insurer in participation in the judicial proceedings. Otherwise, the insurer has the right to submit objection in respect to claims for an insurance payment that he had in respect to the claims for compensation of damages caused.

4. The insured has other rights and obligations arising from bases established by the present Federal Law, the legislation of the Russian Federation.

Article 12. Basic rights and obligations of the insurer

1. The insurer is entitled to:

1) upon concluding a contract of compulsory insurance and during its period of validity, implement at its own expense an expertise of a hazardous object in order to determine the damage that possibly might be caused in an accident involving a hazardous object, the maximum possible number of the injured and/or the level of safety of a hazardous object, including with the involvement of specialized organizations and/or specialists;

2) in written form request and receive documents from the federal executive authority performing within its competence, functions of control and supervision in the sphere of security of hazardous industrial objects or hydraulic structures, the federal executive authority authorized to problem solving in the field of protection of the population and territories from emergency situations, other government authorities, local authorities with relevant competence, containing information on execution by the owner of a hazardous object (the insured) of the standards and rules of operation of a hazardous object established in accordance with the legislation of the Russian Federation;

3) upon significant changes in circumstances reported by an insured to the insurer while concluding a contract of compulsory insurance, including a decrease in the damage that possibly might be caused in case of an accident involving a hazardous object, the maximum possible number of the injured, demand changes in conditions of the contract of compulsory insurance, including reducing the size of the insurance premium proportional to the reduction of an insurance risk if these changes might significantly affect the increase of the insurance risk;

4) in case of a delay in payment of insurance premiums (installment premium) for more than 30 days, request cancellation of the contract of compulsory insurance;

5) request and receive documents and information from the government authorities, local authorities, with relevant competence, that establishes or confirms the causes and circumstances of the accident involving a hazardous object, causes and circumstances of an emergency situation, the size of damages caused, the fact of a violation of living conditions;

6) take necessary measures in order to investigate the causes and circumstances of an accident involving a hazardous object, determine the size of damages caused, independently or with the involvement of specialized organisations and/or specialists, inspect the place of the accident and damaged property, appoint necessary inspections to assess actual health condition of the injured;

7) send a representative to the insured to participate in processing claims made by the injured, determine the size of damages caused to the injured;

8) until a total determination of the compensation amount for damages caused upon the request of the injured implement a part of the insurance payment, conformed with the actual determined part of stated damages;

9) in coordination with the injured and on conditions stipulated in the contract of compulsory insurance in respect to the insurance payment, arrange and pay for restoration or repair of the damaged

property or provide a similar property to replace the one lost in an accident involving a hazardous object;

10) participate in judicial proceedings related to the establishment of the insured case, claims of the injured for compensation payments.

2. The insurer must:

1) ensure non-disclosure of information on the insured and/or the injured, which became known as a result of professional activity;

2) explain to the insured and the injured conditions of compulsory insurance, hold consultations on the implementation of compulsory insurance, including explaining paperwork required for an insurance payment;

3) upon the conclusion of a contract of compulsory insurance provide the insured with an insurance policy of a standard form or in case of its damage or loss during the period of the contract of compulsory insurance provide a duplicate of an insurance policy, free of charge and at the request of the insured;

4) within five working days provide in the order established by the Government of the Russian Federation, information about concluded, renewed, invalid and ceased to have effect contracts of compulsory insurance to the federal executive authority performing within its competence, functions of control and supervision in the sphere of security of hazardous industrial objects or hydraulic structures, as well as to the federal executive authority authorized to problem solving in the field of protection of the population and territories from emergency situations, at its request;

5) within 30 working days from receiving a request of the insured for modifications that need to be made to the contract of compulsory insurance as a result of the reduction of an insurance risk, including the reduction of the size of an insurance premium, consider such a request;

6) upon receiving a report of an accident involving a hazardous object immediately send a representative to participate in the investigation of the causes, circumstances and consequences of the accident involving a hazardous object, including involvement in the operation of a commission created with the participation of representatives from the federal executive authority performing within its competence, functions of control and supervision in the sphere of security of hazardous industrial objects or hydraulic structures, or its territorial authority and/or the insured for technical investigation of the causes of an accident involving a hazardous object and if an emergency situation occurs as a result of an accident to participate in the operation of the relevant commission on emergency situation;

7) within 20 working days upon receiving a statement on the causes and circumstances of the accident, a claim of the injured for a compensation payment and documents confirming the damages caused and its actual size, compose an insurance statement;

8) at the request of the injured or the insured provide a copy of the insurance statement free of charge;

9) explain the consequences of refusal to provide personal data necessary for implementation of the insurance payment to the injured;

10) within 25 working days from the date of establishing the causes of an accident in accordance with the legislation on industrial safety of hazardous industrial objects, the legislation in the sphere of protection of the population and territories from emergency situations and receiving an application of the injured for a compensation payment, documents confirming the damages caused and their actual size, implement an insurance payment to the injured or send an insurance statement which contains a reasoned refusal for the insurance payment to the person applied with a claim for an insurance

payment;

11) upon violation of the deadline for fulfillment of obligations established by Paragraph 10 of the present part, pay the injured a forfeit in amount of one/one hundred and fiftieth rate of refinancing of the Central Bank of the Russian Federation, acting on a day when the insurer had to fulfill this responsibility, from the limit amount of insurance payments specified in Paragraph 2 of Article 6 of the present Federal Law, and depending on the type of damages caused, but no more than the specified limit of insurance payments;

12) compensate, in accordance with Article 962 of the Civil Code of the Russian Federation expenses incurred in order to reduce losses from the insured event if such expenses were necessary or were made to carry out instructions of the insurer. If the size of damages caused to the injured is greater than the insured sum under the contract of compulsory insurance, such expenses shall be reimbursed proportional of a size of the insured sum to the size of the damages caused.

3. The insurer has other rights and obligations arising from bases established by the present Federal Law, the legislation of the Russian Federation.

Article 13. The insurers' right of recourse

The insurer has the right of recourse in limits of the implemented insurance payment to the insured, if:

1) the damage was caused as a result of non-fulfillment by the insured of requirements (regulations) of the federal executive authority performing within its competence, functions of control and supervision in the sphere of security of hazardous industrial objects or hydraulic structures, and/or the federal executive authority authorized to problem solving in the field of protection of the population and territories from emergency situations, information in accordance with their competence;

2) intentional actions (inaction) of an employee of the insured caused damages to the injured, including as a result of controlled explosions, emission of dangerous substances, discharge of water from the reservoir, liquid wastes of industrial and agricultural organizations.

Chapter 3. COMPENSATION PAYMENTS

Article 14. The right to receive compensation payments

1. Compensation payments as compensation for damages caused to the injured - individuals, are carried out in cases where an insurance payment on compulsory insurance cannot be implemented due to:

1) conducting a procedure applied in case of insolvency (bankruptcy) for the insurer, which is provided under the Federal Law;

2) the revocation of an insurers' license to implement insurance business;

3) the presence of an unknown person who is responsible for damages caused to the injured;

4) the absence of a contract of compulsory insurance, under which the general and employers' liability of the person causing the damages is insured because of a failure to implement obligations of insurance established by the present Federal Law.

2. Compensation payments as compensation for damages caused to the injured – legal entity are carried out in cases where an insurance payment on compulsory insurance cannot be implemented due to:

- 1) conducting of a procedure applied in case of insolvency (bankruptcy) for the insurer, which is provided under the Federal Law;
- 2) the revocation of an insurers' license to implement insurance business.
3. The period of limitation of actions on the implementation of compensation payments is three years. The period of limitations of actions on the indicated requirement begins on the day of occurrence of the basis provided for in paragraphs 1 and 2 of the present article.

Article 15. Implementation of compensation payments

1. Upon the claims of the injured the compensation payments are made by a professional association of insurers in accordance with the present Federal Law. The consideration of the insured's claims for compensation payments, the compensation payments and the implementation of the right of claim stipulated for under Article 16 of the present Federal Law, may be exercised by the insurers, that act through a professional association of insurers based on the contracts concluded with it.
2. The relations between the injured and a professional association of insurers concerning compensation payments, by analogy have the rules established by the present Federal Law for relations between the injured and the insurer on the contract of compulsory insurance.
3. Compensation payments are implemented in amounts of:
 - 1) two million - in terms of compensation to individuals who have suffered as a result of death of each injured (breadwinner);
 - 2) no more than 25 thousand rubles - as compensation for funeral expenses of each injured;
 - 3) no more than two million rubles - in terms of compensation for damages caused to health of each injured;
 - 4) no more than 200 thousand rubles - in terms of compensation for damages caused as a result of a violation of living conditions for each injured;
 - 5) no more than 360 thousand rubles - in terms of compensation for damages caused to the property of each injured - an individual, except for damages caused as a result of a violation of living conditions;
 - 6) no more than 500 thousand rubles - in terms of compensation for damages caused to the property of each injured - a legal entity.
4. Compensation payments are reduced by an amount equal to the partial compensation of the damages caused produced by the insurer and/or the insured.

Article 16. Recovery of compensation payments' sum

1. The sum of compensation payment made to the injured in accordance with Paragraphs 3 and 4 of Part 1 of Article 14 of the present Federal Law is exacted in the regression order under the claim of a professional association of insurers for a person responsible for causing damages to the injured. A professional association of insurers also has the right to require reimbursement of expenses suffered for the consideration of the insured's claim for compensation payment from the indicated person.
2. Within the sum limit of the compensation payment made to the injured in accordance with Paragraphs 1 and 2 of Part 1 and Part 2 of Article 14 of the present Federal Law a professional association of insurers receives the right of claim for insurance payment on compulsory insurance, which the injured has for the insurer.

Chapter 4. PROFESSIONAL ASSOCIATION OF INSURERS

Article 17. Professional Association of Insurers

1. Professional association of insurers is a nonprofit organization, the only Russian professional association, formed on the principle of compulsory membership of insured and acting to ensure cooperation and formation of standards and rules of professional activity in implementation of compulsory insurance.

2. Association of insurers acquires the status of a professional association of insurers after including information about it in the Register of associations of subjects of insurance business as a professional association of insurers by the Bank of Russia.

3. Professional association of insurers realizes its activities in accordance with the provisions of the legislation on nonprofit organizations, provided to associations (unions), considering the status characteristics of a professional association of insurers established by the present Federal Law.

4. Professional association of insurers is open to the entry of new members.

Article 18. Functions and powers of a professional association of insurers

1. Professional association of insurers:

1) provides cooperation of its members in implementation of compulsory insurance, develops and establishes standards and rules of professional activity mandatory for a professional association of insurers and its members, controls its observance;

2) for purposes of implementation of compulsory insurance and exchange of information on compulsory insurance executes processing of personal data of the injured, creates and uses information resources that contain information on compulsory insurance, including information on accidents, hazardous objects, owners of hazardous objects, contracts of compulsory insurance, insured events and the injured, abides by the requirements established by the legislation of the Russian Federation for the protection of personal data and restricted information;

3) represents and protects interests associated with the implementation of compulsory insurance by the members of a professional association of insurers in government authorities, local authorities, other authorities and organisations;

4) carries out compensation payments in accordance with the requirements of the present Federal Law, as well as implements the right of claim stipulated in Article 16 the present Federal Law;

5) monitors the timeliness and validity of insurance and compensation payments to the injured;

6) publishes the standards and rules of professional activity that concern the rights of the injured;

7) performs other functions, provided by constituent documents of the professional association of insurers in accordance with its purposes and objectives.

2. Professional association of insurers may carry out other activities as prescribed in its constituent documents in accordance with the objectives established by the present Federal Law.

Article 19. Standards and rules of professional activity

1. Professional association of insurers establishes standards and rules of professional activity, mandatory for all members and containing requirements with respect to:

1) the order and conditions of implementing compensation payments by a professional association

of insurers, as well as the order of distributing responsibility on obligations of a professional association of insurers concerning the implementation of compensation payments by a professional association of insurers;

2) the order for financing compensation payments by members of a professional association of insurers, the measures of controlling the target use of the appropriate funds, the order of conducting accounting for fund transactions intended for compensation payments by a professional association of insurers;

3) the order for determining the damage that possibly might be caused in case of an accident involving a hazardous object, the maximum possible number of the injured and the level of safety of a hazardous object;

4) the formation of information resources of a professional association of insurers that contains information of limited access, as well as the rules for protection of these information resources and their usage;

5) the order of entry into a professional association of insurers, withdrawal, expulsion from it;

6) the order and conditions of formation and expenditure of a professional associations' of insurers assets for purposes other than financing compensation payments, including the order of distribution of expenses, payments, charges and fees between members of a professional association of insurers;

7) the qualification of the employees;

8) the protection concerning the rights of the insured and the injured of compulsory insurance, including the handling of complaints against actions of members of a professional associations of insurers;

9) the procedures for conducting audits of activity of members of a professional associations of insurers for compulsory insurance and observance of the established standards and rules of professional activity, including the formation of a supervisory authority and an order of familiarization with the results of these audits by other members of a professional associations of insurers, as well as the requirements for providing public data for such audits;

10) the sanctions and other measures applicable to members of a professional associations of insurers, their officials and employees, the order of usage and accounting of such sanctions and measures, as well as supervision of their implementation;

11) the resolution of disputes between members of a professional association of insurers, arising from the implementation of compulsory insurance;

12) other standards and rules of professional activity of compulsory insurance, the establishment of which is within the competence of a professional association of insurers by the decision of its members.

2. Standards and rules of professional activity, containing requirements referred to in paragraphs 1, 2, 4, 5 and 8 of Part 1 of the present Article are established and modified by a professional association of insurers, after a preliminary coordination with the Bank of Russia.

3. Standards and rules of professional activity, containing requirements referred to in paragraph 3 of Part 1 of the present Article are established and modified by a professional association of insurers, after a preliminary coordination with the Bank of Russia, the federal executive authority authorized to problem solving in the field of protection of the population and territories from emergency situations and the federal executive authority performing within its competence, functions of control and supervision in the sphere of security of the relevant hazardous objects.

4. If the standards and/or rules of professional activity established by a professional association of insurers violate the rights of individuals, including the injured, insured, insurance organisations that are not part of a professional association of insurers, individuals whose rights have been violated may file a claim on recognition of these standards and/or rules as invalid or may file a claim implementing modifications to them.

Article 20. The obligation of a professional association of insurers to implement compensation payments

1. The constituent documents of a professional association of insurers must determine its obligation to implement compensation payments and vicarious liability of members of a professional association of insurers under the relevant obligations of a professional association of insurers, in cases provided in the present Federal law.

2. The claims of the injured for compensation payments provided in Paragraphs 1 and 2 Article 14 of the present Federal Law are satisfied by a professional association of insurers at the expense of assets sent by members of a professional associations of insurers from the reserve of financing compensation payments, as well as of funds received from the realization of the right of claim by a professional association of insurers stipulated under Article 16 of the present Federal Law.

3. The vicarious liability established in accordance with Part 1 of the present Article, members of the professional association of insurers carry out under obligations of a professional association of insurers in terms of compensation, referred to in Paragraphs 1 and 2 of Article 14 of the present Federal Law, in proportion to the amount of assets sent to the reserve of financing compensation payments.

Article 21. Assets of a professional association of insurers

1. Assets of a professional association of insurers are formed by:

1) assets transferred to a professional association of insurers by its founders, in accordance with the foundation contract of a professional associations of insurers;

2) admission fees, membership fees, trust fees and other mandatory payments paid to a professional association of insurers by its members;

3) funds received from realization of the right of claim under Article 16 of the present Federal Law;

4) voluntary contributions;

5) funds received from other sources.

2. Funds intended to finance the compensation payments are separated from other assets of a professional association of insurers. Indicated funds are stated on separate balances of a professional association of insurers, and they are accounted separately. A separate bank account is opened by a professional association of insurers for settlement of compensation payments.

3. Funds received by a professional association of insurers from the right of claim under Article 16 of the present Federal Law are sent to compensation payments' fund.

4. Financial activities of a professional association of insurers are subjected to mandatory annual audit. Independent auditing organisation and conditions of a contract, which is concluded by a professional association of insurers, has to be approved by the general meeting of members of a professional association of insurers.

5. Annual report and annual accounting balance sheet of a professional association of insurers after

their approval by the general meeting of members of professional associations of insurers are subjected to annual publication.

Article 22. Fees and other mandatory payments of the members of a professional association of insurers

The amount and the order of paying fees and other mandatory payments by members of the professional association of insurers are established by the general meeting of members of the professional association of insurers in accordance with the present Federal Law, by other legal acts of the Russian Federation and founding documents of the professional association of insurers.

Article 23. A pool of insurers implementing compulsory insurance

1. In order to ensure financial stability of insurance operations on compulsory insurance, members of a professional association of insurers form a reinsurance pool for reinsurance risks of general and employers' liability of an owner of a hazardous object for damages in case of an accident involving the hazardous object.

2. Agreement of the reinsurance pool shall state the rights and responsibilities of members of the pool, the order of distribution of risks accepted by the pool among the members of the pool, the conditions of joint responsibility by members of the pool, the terms of reinsurance of the pool and reinsurance by the pool, the order of transaction by the pool, the order of settlement of insurance premiums, insurance payments and other expenses between members of the pool, the order of resolution of disputes and discrepancies between members of the pool.

3. Acceptation of risks for other types of insurance, rather than compulsory insurance by the reinsurance pool is not possible.

4. Except for cases of implementing reinsurance on behalf of the pool in accordance with agreement of the reinsurance pool, members of a professional association of insurers are obliged to reinsure an insurance payments' risk in the pool, which was received by them under the contract of compulsory insurance, and cannot reinsure the risk with other insurers (in other pools).

5. Members of the reinsurance pool cannot refuse to accept their share of the part of the risk.

6. Failure to implement obligations referred to in Paragraphs 4 and 5 of the present Article by a member of a professional association of insurers, entails the exclusion of a member of a professional association of insurers from the specified embodiment.

Chapter 5. FINAL PROVISIONS

Article 24. Requirements for insurers

1. An essential requirement to the subject of the insurance business, while applying for a license to implement compulsory insurance, is the presence of an experience in conducting operations on compulsory insurance of organizations operating hazardous objects for no less than two years.

2. The insurer must be a member of a professional association of insurers, acting on the basis of the present Federal Law.

Article 25. Specifics of implementing insurance operations of compulsory insurance by the insurers

1. Specifics of the formation of insurance reserves for compulsory insurance are established by the Bank of Russia.

2. In the implementation of compulsory insurance the insurers make deductions from insurance premiums to the reserve for funding compensation payments provided under Part 1 and 2 of Article 14 of the present Federal Law. The amount of deduction payments to the reserve for funding compensation payments is determined in accordance with the structure of insurance rates.

Article 26. Coordination of information

1. Federal executive authorities, executive authorities of subjects of the Russian Federation, local governments, organisations at request made by a professional association of insurers are obliged to provide free information available to them (including confidential) on hazardous objects, on the owners of hazardous objects, and at request made by insurers and a professional association of insurers - information (including confidential) on the insured events of compulsory insurance or on events on the grounds of which the injured presented claims for compensation. The Federal executive authority performing within its competence, functions of control and supervision in the sphere of security of hazardous industrial objects or hydraulic structures, and the federal executive authority authorized to problem solving in the field of protection of the population and territories from emergency situations, at the request made by insurers are obliged to provide information on hazardous objects, with owners of which the contract of compulsory insurance was conducted.

2. The Federal executive authority performing within its competence, functions of control and supervision in the sphere of security of hazardous industrial objects or hydraulic structures, and professional association of insurers are obliged to provide information on the insurer who concluded a contract on compulsory liability insurance of an owner of a particular hazardous object free of charge, upon a request from citizens, legal persons, public authorities and local authorities. In case of an accident involving a hazardous object such information is available immediately.

Article 27. Control over the execution of responsibilities of compulsory insurance by the owner of a hazardous object

Control over the execution of responsibilities of compulsory insurance by the owner of a hazardous object defined by the present Federal Law on compulsory insurance is implemented by the Federal executive authority, performing, within its competence functions of control and supervision in the sphere of security of hazardous industrial objects or hydraulic structures, and the federal executive authority, authorized to problem solving in the field of protection of the population and territories from emergency situations within their competence.

Article 28. Resolution of disputes

Disputes relating to compulsory insurance, carried out in accordance with the present Federal Law, are to be settled in court, arbitration or arbitral tribunal in according to their competence.

Article 29. Coming into force of the present Federal Law

1. The present Federal Law shall come into force on 1 January 2012, except provisions for which the present article provides different dates of coming into force.
2. Articles 17 - 19, 21 - 24 of the present Federal Law shall come into force on the day of the official publication of the present Federal Law.
3. Chapter 3 and Article 20 of the present Federal Law shall come into force on 1 July 2012.
4. Paragraph 3 of Part 2 of Article 8 of the present Federal Law shall come into force on 1 January 2013.
5. Prior to 1 January 2013 the amount of an insurance payment in case of damages caused to the injured is determined by the rules of Chapter 59 of the Civil Code of the Russian Federation.
6. Part 10 of Article 7 of the present Federal Law shall come into force on 1 January 2016.
7. Prior to 1 January 2016 the minimum values of the additional reduction coefficient determined by the insurer, are established with the following rates:
 - 1) from 1 January 2012 to 31 December 2013 – 0.9;
 - 2) from 1 January 2014 to 31 December 2015 – 0.7.
8. In relation to dangerous objects, which are government or municipal property and financing maintenance of which is entirely or partly carried out from funds of relevant budgets, as well as elevators and escalators in apartment buildings, the given provisions of the present Federal Law come into force on 1 January 2013.

President of the
Russian Federation
D. Medvedev

Moscow, Kremlin
27 July 2010

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