

Press - release
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Motor vehicle owners can learn about their affiliation to a new BONUS MALUS system's risk class in the Internet

Any owner of motor vehicles can learn about his /her/ its affiliation to a new Bonus- malus system's risk class at the home page of the Latvian Motor Insurer's Bureau (LTAB) www.ltab.lv (Bonus-Malus Section), entering their personal code and a registration number of their motor vehicle. Insurers shall start application of a new system of assessment of vehicles risk in estimation of MTPL policy price from the 1st of January 2006.

LTAB in cooperation with insurance agencies has developed Bonus – malus (discount – surcharge) system applicable in Latvia, which, according to the previous motor vehicle owner's insurance history and caused road accidents, shall allow to reduce or to increase the price of MTPL policy. Introducing the Bonus -malus, dutiful owners of motor vehicles shall be the greatest beneficiaries, who shall pay for MTPL policies less.

Motor vehicle owners shall get discounts for MTPL policies for each year, within which they will be insured and won't cause road accidents. But those owners of motor vehicles, who will be culpable for causing accidents, shall pay for MTPL policies more. Further, in determination of price of policies all insurance agencies shall proceed from the single Bonus - malus classifying system, ranking a particular owner of motor vehicles with a definite discount or additional payment (risk) class.

„Starting from the next year, when owners of motor vehicles effect a new MTPL policy, insurers in determination of policy price shall take into account a class of Bonus – malus, which a particular owner of motor vehicle has taken. Therefore, any related party, which has been buying MTPL policies since 1997, shall be able to learn about his/her/its affiliation to a definite class at the LTAB home page,” informs Guntars Lorencis, Member of the Board of LTAB.

About Bonus - malus

Bonus – malus (discount – surcharge) class is being calculated with regard to both a motor vehicle and an owner. The system shall be comprised of 17 risk classes, to which there shall be applied either a particular discount or a surcharge, defined individually at every insurance agency. A motor vehicle owner, who effects the first MTPL policy, shall be automatically ranked with the sixth discount class (new entering or starting class). But those, who have been effecting their third party liability insurances for over a year, according to duration of insurance and the history, shall take a definite class in the classifying system.

Insurance agencies shall apply discounts to those motor vehicle owners, who take in the Bonus – malus classifying system from the seventh up to the seventeenth classes. In order to get into the next discount class motor vehicles owners should be insured for 275 days a year. But for each class below the sixth one insurers shall set upon a motor vehicle owner to pay additionally for MTPL policy.

For every caused road accident a motor vehicle owner shall lose a class taken before: for one accident the class shall be decreased by 30%, for two accidents – by 50%, for three accidents – by 80%, but for over three road accidents a motor vehicle owner shall get into the first Bonus – malus class, for which an insurer shall apply the highest surcharge for MTPL policy.

When buying a new motor vehicle a class shall be transferred from the previous motor vehicle. But those owners, who own more than one motor vehicle, shall have different discount or surcharge classes for each motor vehicle asunder.

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