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COUNCIL OF MINISTERS REGULATION No. 300/2013

COUNCIL OF MINISTERS REGULATION TO
ESTABLISH THE INSURANCE FUND
ADMINISTRATION AGENCY

This Regulation is issued by the Council of Ministers pursuant to Article 5 of the Definition of Powers and Duties of the Executive Organs of the Federal Democratic Republic of Ethiopia Proclamation No. 691/2003 and Article 29(1) of the Vehicle Insurance Against Third Party Risks Proclamation No. 799/2013.

1. Short Title
This Regulation may be cited as the “Insurance Fund Administration Agency Establishment Council of Ministers Regulation No. 300/2013”.

2. Definitions
In this Regulation unless the context otherwise requires:

1/ “Proclamation” means the Vehicle Insurance Against Third Party Risks Proclamation No. 799/2013;

2/ definitions provided under Article 2 of the Proclamation shall also apply to this Regulation;

3/ “Insurance Fund” means the insurance fund established by Article 19 of the Proclamation;

4/ “Ministry” or “Minister” means the Ministry or Minister of Transport, respectively;

5/ any expression in the masculine gender includes the feminine.
3. Establishment

1/ The Insurance Fund Administration Agency (hereinafter the “Agency”) is hereby established as an autonomous federal government office having its own legal personality.

2/ The Agency shall be accountable to the Ministry.

4. Head Office

The Agency shall have its head office in Addis Ababa and may have branch offices elsewhere, as may be necessary.

5. Powers and Duties of the Agency

The Agency shall have the powers and duties to:

1/ undertake study on the collection and disbursement of the Insurance Fund and implement same;

2/ pay compensation to vehicle accident victims in accordance with Article 20 of the Proclamation;

3/ collect data on deaths, bodily injuries and property damages caused by vehicle accidents with respect to which compensations have been paid;

4/ where necessary and upon obtaining the approval of the Ministry, delegate the appropriate institutions to perform some of its activities;

5/ maintain separate accounts and records for the Insurance Fund and prepare annual financial statements;

6/ print insurance certificates and stickers using the Insurance Fund; and collect and reimburse the cost to the Fund based on the quantities distributed to the insurance companies;

7/ invest, in order to strengthen the financial sources of the Insurance Fund, accumulated collections of the Fund remaining after deducting reserve pursuant to directive of the government;

8/ prepare and distribute current publications on the collections and disbursements of the Insurance Fund, vehicle insurance against third party risks and other similar topics;
9/ undertake and present to the Ministry policy studies on issues related to vehicle insurance against third party risks, and implement same upon approval;

10/ implement the Proclamation and regulations and directives issued for the implementation of the Proclamation;

11/ own property, enter into contracts, sue and be sued in its own name;

12/ carry out other related activities necessary for the realization of its objectives.

6. Organization of the Agency

The Agency shall have:

1/ Insurance Fund Board (hereinafter the “Board”);

2/ a Director General and, as may be necessary, a Deputy Director General, to be appointed by the government; and

3/ the necessary staff.

7. Members of the Board

1/ The Board shall be composed of members appointed by the Minister from the relevant governmental institutions and insurance companies.

2/ The number of members of the Board shall be determined as deemed necessary.

8. Powers and Duties of the Board

The Board shall have the powers and duties to:

1/ oversee and supervise the operations of the Agency;

2/ review and forward its proposals on policy matters relating to vehicle insurance against third party risks and studies on rates of premium and insurance fund tariff to be submitted pursuant to Article 4(4) and Article 23(2) of the Proclamation;

3/ issue directive on the collection and disbursement of the Insurance Fund;

4/ examine and decide cases of vehicle accident victims who complain for not being paid with the proper compensation in accordance with Article 20 of the Proclamation;
5/ cause the accounts of the Insurance Fund to be audited; review the audit report and ensure that corrective measures are taken as recommended by the report;

6/ review the long and short term plans, annual programs and budget of the Agency before being presented to the government; and follow up the implementation of same upon approval;

7/ deliberate and decide on recommendations of the Agency on other issues relating to the administration of the Insurance Fund.

9. Meetings of the Board

1/ The Board shall meet as frequently as its function requires.

2/ There shall be a quorum where more than half of the members of the Board are present at a meeting.

3/ The decisions of the Board shall be passed by a majority vote and, in case of a tie, the Chairperson shall have a casting vote.

4/ Without prejudice to the provisions of this Article, the Board may adopt its own rules of procedure.

10. Powers and Duties of the Director General

1/ The Director General shall be the chief executive officer of the Agency and shall, subject to the general direction of the Board, direct and administer the activities of the Agency.

2/ Without limiting the generality of sub-article (1) of this Article, the Director General shall:

a) exercise the powers and duties of the Agency specified under Article 5 of this Regulation;

b) employ and administer employees engaged in support services of the Agency in accordance with the federal civil service laws and, in the case of professionals engaged in the core functions of the Agency, in accordance with directives approved by the government following the basic principles of the federal civil service laws;

c) prepare and, upon review by the Board, submit to the Ministry the work program and annual budget of the Agency; and implement same upon approval by the government;
11. Budget

The budget of the Agency shall be allocated by the government.

12. Books of Account

1/ The Agency shall keep complete and accurate books of accounts.

2/ The books of accounts and financial documents of the Agency shall be audited annually by the Auditor General or an auditor assigned by him.

13. Transfer of Rights and Obligations

The rights and obligations of the Office of the Insurance Fund established under the Vehicle Insurance Against Third Party Risks Proclamation No. 559/2008 are transferred to the Agency pursuant to Article 32 of the Proclamation.

14. Effective Date

This Regulation shall come into force on the date of publication in the Federal Negarit Gazette.

Done at Addis Ababa, this 6th day of January, 2014.

HAILEMARIAM DESSALEGN

PRIME MINISTER OF THE FEDERAL
DEMOCRATIC REPUBLIC OF ETHIOPIA