

How well do you know European natural hazard insurance systems?

COUNTRY FACT SHEET ROMANIA



Before (Prevention) Compulsory insurance coverage with a national pool (PAID) and private insurance
Fines are applicable in case of failing to close a PAD policy according with the law conditions

PAID, "a strong financial reserve to financially protect Romania in case of extreme natural phenomenon and reduce the impact on national budget in case of catastrophes"

Pool-ul de Asigurare Impotriva Dezastrelor naturale

Private insurance market - mandatory insurance for businesses (construction and erection all risks) in case of projects financed by EU funds. Otherwise it is a facultative insurance for businesses in case of extreme events

State as lender of last resort in case of huge losses



individuals & businesses

pay basic premium for flood, earthquake and landslides according to the house's type:

Type A house (reinforced concrete)

€€€€
€20/year

Type B house (walls made of above)

€€€€
€10/year

PAID
National pool of 10 shareholders

reinsured on private markets in case of excess of losses

businesses legal entities civil constructions

pay basic premium and voluntary additional premium based on location, type, prevention measures etc.

basic premium
€€€€

Private insurance companies
€€€€

additional premium can have a prevention component with recommendation for disaster risk management

voluntary extension for storm & fire
€€€€

Private insurance companies
€€€€

premium based on location, type, prevention measures etc.

can choose to be reinsured by Private reinsurers

Event occurrence



*compulsory insurance for these perils, fixed by the law 260/2008
**voluntary extension for these perils



*** list of risks covered fixed by the policy

After (Recovery)

If a natural or legal person is not insured according with the law, is not entitled to receive any financial compensation from governmental sources

PAID

compensation from the pool

Private insurance companies

10% commission rate (included in the total premium)

€20.000
€€€€

Type A house

€10.000
€€€€

Type B house

European Union Solidarity Fund (EUSF)
when damage is >0.6 of GNI, only physical damage and ex-post repairs

Government financing

Private insurance companies

€€€€

compensation based on the policy

individuals & businesses

infrastructure reconstruction and repairs local authorities

time