

**Regulation No. (32) of 2001**  
**Civil Liability Compulsory**  
**Motor Insurance Regulation \***  
**Issued pursuant to Articles (99) and (108) \*\***  
**of the Insurance Regulatory Act No. (33) of 1999 \*\*\***

**Article (1):**

This Regulation shall be known as (Civil Liability Compulsory Motor Insurance Regulation of 2001) and shall come into force as of the date determined by the Council of Ministers. \*\*\*\*

**Definitions**

**Article (2):**

The following words and phrases wherever mentioned in this Regulation, shall have the meanings ascribed thereto hereunder, unless otherwise indicated by context:-

- Board** : The Board of Directors of the Insurance Commission. \*\*\*\*\*
- Director General** : The Director General of the Insurance Commission. \*\*\*\*\*
- Motor** : As defined in the Traffic Act in force.
- Accident** : Any occurrence causing damages to a third party arising from the use of the Motor, explosion, burning, scattering of parts or falling therefrom.
- Damage** : The death or any bodily injury caused to a third party or any moral damage arising therefrom, and the loss or damage of the third party property caused by an Accident arising from the usage of the Motor.
- Third Party** : Any person; except the Insured or the driver of the Motor, exposed to the Damage caused by an Accident arising from the use of the Motor.

**Article (3):**

For the purpose of this Regulation the phrase (compulsory insurance) means the insurance of civil liability arising from the use of the Motors.

**Compulsory Insurance**

**Article (4):**

A- All Motors, including non-Jordanian Motors entering the Kingdom or passing through by transit, shall be subject to the provisions of this Regulation. For this purpose, the international agreements ratified by the Kingdom, including the compulsory insurance agreements, shall be adopted.

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\* This Regulation was published in the Official Gazette volume (4489) dated 31/5/2001 page (2048).

\*\* Articles (72) and (77) of the original Act have been renumbered to become Articles (99) and (108) respectively, according to Articles (33) and (37) of the Temporary Act No. (67) of 2002, known as the Act Amending the Insurance Supervision Act, published in the Official Gazette number (4572) dated 17/11/2002 page (5482).

\*\*\* The title of the Act has been amended according to Article (2) of the Temporary Act No. (67) of 2002.

\*\*\*\* This Article has been amended according to Article (2) of the Regulation No. (51) of 2001 the Regulation Amending the Compulsory Civil Liability Motor Insurance Regulation, published in the Official Gazette number (4499) dated 30/7/ 2001.

\*\*\*\*\* The title of the Commission has been amended according to Article (3) of the Temporary Act No. (67) of 2002.

B- Motors that are subject to other legislation or procedures in respect of registration and licensing shall be excluded from the provisions of this Regulation.

**Article (5):**

An insurance company licensed to transact the Motors liability insurance class shall not be permitted to refuse insuring a Motor, pursuant to the provisions of this Regulation, if the conditions stipulated in the Traffic Act in force are fulfilled, otherwise the insurance company shall be liable according to the Insurance Regulatory Act in force.\*

**Article (6):**

The insurance company shall issue the compulsory Insurance Policy according to the form designed pursuant to the provisions of this Regulation which shall be issued by the Director General.

**Article (7):**

- A- The compulsory insurance premiums and any increase thereon required by the information registered in the traffic register of the Insured or the driver, shall be determined according to bases to be incorporated in the Instructions to be issued by the Council of Ministers upon the recommendation of the Board which shall be based upon the recommendation of the Director General.
- B- The Traffic Directorate must provide the insurance company, upon the request of the latter, with the Traffic Register information mentioned in paragraph (A) of this Article.

**Article (8):**

Neither the insurance company nor the Insured shall be permitted to cancel the compulsory insurance contract of the Motor if the registration of the Motor is still valid, unless replaced by another compulsory insurance contract. Upon cancellation of the compulsory insurance contract the Insured shall be entitled to recover from the insurance company a proportion of the insurance premium for the remaining period of the insurance contract, unless the Insured caused an Accident during the insurance period.

**Article (9):**

The compulsory insurance contract shall be considered automatically cancelled if the Motor was totally damaged, provided that the Motor registration is cancelled by a report to be issued by the Motors Licensing Directorate proving that the Motor is inappropriate for use. Upon the cancellation of the compulsory insurance contract, the Insured shall be entitled to recover from the insurance company a proportion of the insurance premium for the remaining period of the insurance contract, unless the Insured caused an Accident during the insurance period.

**Civil Liability**

**Article (10):**

Subject to the provisions of Article (12) of this Regulation, the insurance company shall indemnify the Third Party of any amounts the Insured shall be liable to pay as compensation for the Damage. The liability of the insurance company for compensation shall be determined pursuant to Instructions issued by the Council of Ministers upon the recommendation of the Board.

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\* The title of the Act has been amended according to Article (2) of the Temporary Act No. (67) of 2002.

**Article (11):**

For purposes of this Regulation, any person authorized by the Insured to drive the Motor shall be considered as the Insured.

**Article (12):**

The insurance company shall not be liable, according to the provisions of this Regulation, in respect of the following:-

- A- The Damage to the Insured, the Motor of the Insured, or the driver while driving the Motor.
- B- The Damage to the Third Party arising from the use of the Motor in a local or international organized motor racing or in Motors endurance tests.
- C- The Damage to passengers in the Motor of the Insured as a result of using the Motor in instructed driving for which purpose the motor was not licensed.
- D- The Damage or loss of the goods of the Third Party carried by the Motor of the Insured in consideration.
- E- The Damage to the Third Party arising from an Accident resulting from floods, heavy weather, storms, hurricanes, volcanic eruptions, earthquakes, landslide and any other natural risks or war, warlike operations, civil war, insurrection, armed rebellion, revolution, usurp of power or nuclear energy risks.
- F- The Damage arising from the special use Motor, as defined in the Traffic Act in force, if used for the special purposes it is designed for.

**Claim and Compensation**

**Article (13):**

- A- The Insured or the driver shall notify the insurance company, within an acceptable period of the accident caused by the Motor which the Damage resulted from. The Insured or the driver shall take all the precautions and the necessary procedures to avoid the aggravation or increase of the Damage without prejudice to the Third Party right in notifying.
- B- The Insured shall provide the insurance company with all the documents related to the Accident immediately upon receiving such documents, including correspondences, claims, summons and notifications. If the Insured failed to do so the insurance company shall be entitled to claim for Damages sustained thereby due to that failure, unless such delay was justifiable.
- C- Notwithstanding what is stated in the provisions of paragraphs (A) and (B) of this Article, the insurance company shall not be permitted to refuse the Third Party claim for compensation, pleading the delay in notifying of the Accident.

**Article (14):**

The authority concerned shall include in the report of the Accident all the information stipulated in the registration license of the Motor.

**Article (15):**

- A- The insurance company, the Insured and the Driver shall be considered jointly liable for the Damage sustained by the Third Party according to the provisions of Article (10) of this Regulation.

- B- The Insured and the Driver shall be considered jointly liable for any amounts decided upon exceeding the liability limits of the insurance company according to the provisions of Article (10) of this Regulation.

**Article (16):**

Any settlement between the Insured and the damaged Third Party shall not be considered binding for the insurance company unless approved thereby in writing.

**Article (17):**

Subject to the provisions of Article (12) of this Regulation, the damaged Third Party shall be entitled to directly claim from the insurance company the compensation for the Damages sustained thereby according to the provisions of Article (10) of this Regulation, and shall not be subject to the defense to be made by the insurance company against the Insured.

**Cases of Recourse**

**Article (18):**

- A- The insurance company shall have the right to recourse from the Insured and the Driver to recover the compensation paid to the Third Party, in any of the following cases:-
- 1- If the driver, at the time of the Accident, was not holding a driving license for the type of the driven Motor, if the license was permanently cancelled, or if it was suspended for a period during which the driver was not permitted to drive.
  - 2- If the Driver, at the time of the Accident, was unable to control driving the Motor in the ordinary manner expected from an ordinary person due to his fall under the influence of intoxicants, narcotics, or a medical drug.
  - 3- If the Accident occurred while using the Motor for purposes other than what it is licensed for.
  - 4- If the Motor was used in such a manner which leads to increase the risk due to the violation of the traffic legislation in force, or if the Motor was used for purposes contrary to the Act or the public order, provided that such violation was the proximate cause of the Accident.
  - 5- If the Accident occurred during or due to the use of Motor in instructing driving, for which the Motor was not licensed for.
- B- The insurance company shall have the right to recourse from the person causing the Damage to recover the compensation paid thereby to the Third Party, in either of the following cases :-
- 1- If it was proved that the Accident was intentional by the driver.
  - 2- If the Damage was a result of an Accident caused by a stolen or a usurped Motor.

**General Provisions**

**Article (19):**

For purposes of this Regulation:-

- A- The legal action by the Insured or the Third Party for compensation shall be prescribed by the expiration of three years, commencing from the date of the occurrence which gave rise to such a claim, or from the date the interested party has known of such an occurrence.
- B- The rights of the Insured and of the insurance company, arising from the Accident, claiming for such rights shall expire upon the completion of three

years commencing from the date on which the liability of either party was established by virtue of the provisions of this Regulation.

**Article (20):**

Upon the recommendation of the Director General, the Board shall issue the Instructions necessary for implementing the provisions of this Regulation, and the Director General shall issue the Decisions necessary for this purpose.

**Article (21):**

The Compulsory Insurance Regulation No. (29) of 1985, the Instructions and Decisions issued by virtue thereof are hereby revoked, provided that the compulsory insurance contracts issued before this Regulation came into force, shall remain valid until expired.