

# **REGULATION ON PRINCIPLES AND PROCEDURES FOR COLLECTION OF CHARGES FOR HEALTH SERVICES PROVIDED TO THOSE INVOLVED IN TRAFFIC ACCIDENTS**

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## **PART ONE**

### **Objective, Scope, Basis and Definitions**

#### **Objective and scope**

##### **ARTICLE 1**

(1) The objective of this Regulation is to determine the principles and procedures for the collection of health service charges offered to relevant parties due to traffic accidents.

(2) The traffic accidents that take place in Turkey are included in the scope of this Regulation.

(3) This Regulation covers Compulsory Traffic Insurance, Compulsory Transportation Insurance and Compulsory Personal Accident Insurance.

#### **Basis**

##### **ARTICLE 2**

(1) This Regulation has been prepared pursuant to Article 98 of the Highways Traffic Law No. 2918 and dated 13/10/1983; and the Provisional Article 1 of the Law No. 6111 and dated 13/2/2011 on the Amendment of the Laws on the Restructuring of Certain Receivables, Social Security and General Health, and Some Other Laws and Decrees.

#### **Definitions**

##### **ARTICLE 3**

(1) The following terms shall have the following respective meanings in this Regulation,

a) Bureau: Turkish Motor Insurers' Bureau founded with the Regulation on Working Principles and Procedures for the Turkish Motor Insurers' Bureau, published in the Official Gazette No. 26920 and dated 28/6/2008, and operating as per the mentioned Regulation,

b) Assurance Account: Account created within the Association of the Insurance and Reinsurance Companies of Turkey as per Article 14 of the Insurance Law No. 5684 and dated 3/6/2007,

c) Law: Law No. 6111 and dated 13/2/2011,

ç) Institution: Social Security Institution,

d) Centre: Insurance Information Centre,

e) Undersecretariat: Undersecretariat of Treasury,

f) Health Application Notice (HAN): Health Application Notice of the Social Security Institution of the relevant year published by the Institution, where the fees related with the health services funded by the Institution and the principles and procedures for providing the treatment aids are specified,

g) MEDULA: System created for the payment of the treatment expenses between the Institution and health service providers,

ğ) Compulsory Traffic Insurance: Liability insurance issued for the legal liability arising from the operation of motor vehicles within the scope of the Highways Traffic Law No. 2918,

h) Compulsory Transportation Insurance: Liability insurance issued for the legal liability arising from the transportation activities as per the Highway Transportation Law No. 4925 and dated 10/7/2003,

ı) Compulsory Personal Accident Insurance : Insurance within the scope of the Decree appended to the Cabinet Decree No. 2004/6789 and dated 22/1/2004,

i) Green Card Insurance: Insurance issued pursuant to the European Contract on Compulsory Third Party Liability Insurance for motor vehicles.

## **PART TWO**

### **General Principles**

#### **Health expenditures arising from traffic accidents**

##### **ARTICLE 4**

- (1) Charges for all health services required by the treatment provided by university hospitals and all other official and private health institutions and entities, due to traffic accidents shall be covered by the Institution as per the provisions set forth in the Health Application Notice (HAN) regardless of whether the accident victim has a social insurance or not.
- (2) The sharing between the Institution, insurance companies and the Assurance Account shall be carried out as per the provisions of this Regulation, in terms of the payments to be made by the relevant insurance companies and the Assurance Account, in line with the provisions of the legislation regarding compulsory insurances within the scope of this Regulation.

#### **Sharing**

##### **ARTICLE 5**

- (1) The relevant insurance companies and the Assurance Account shall make transfers to the Institution for the health service charges covered by the Institution, as per the principles and procedures set forth in this Regulation.
- (2) Insurance companies authorized to issue Compulsory Traffic Insurance policies shall transfer to the Institution the portion of the insurance premiums they underwrite, including short term ones, determined as per the calculation method appended to this Regulation, either at once, or in 3 equal instalments, by the end of the 3rd month following the month the premium was accrued. These companies shall also transfer to the Institution the sum determined as per the calculation method specified for Compulsory Traffic Insurance, as appended to this Regulation, for the traffic accidents which took place prior to publication of the Law, on the dates to be specified by the Undersecretariat, for a period of 3 years as of the date of the publication of this Law.
- (3) Insurance companies authorized to issue Compulsory Transportation Insurance and Compulsory Personal Accident Insurance policies shall transfer to the Institution the portion of the insurance premiums they underwrite, determined as per the calculation method appended to this Regulation, either at once, or in 3 equal instalments, by the end of the 3rd month following the month the premium was accrued. These companies shall also transfer to the Institution the sum determined as per the calculation method specified for Compulsory Traffic Insurance, as appended to this Regulation, for the traffic accidents which took place prior to publication of the Law, on the dates to be specified by the Undersecretariat.
- (4) The Assurance Account shall transfer to the Institution fifteen percent of all participation shares collected from the relevant insurance companies for Compulsory Traffic Insurance, Compulsory Transportation Insurance and Compulsory Personal Accident Insurance as per the principles and procedures specified in the legislation on Assurance Account by 10th day of the month following the collection. The Assurance Account shall also transfer to the Institution twenty percent of the participation shares to be collected from the relevant insurance companies within the framework of the first sentence of this paragraph, with the intent of being transferred to the Institution, with regards to traffic accidents which took place prior to publication date of the Law, in the terms specified with the first sentence of this paragraph.
- (5) In case the insurance policies within the scope of this Regulation are terminated as per the relevant legislation, the return claims for these policies shall be deducted from the transfers of the subsequent periods.
- (6) The Undersecretariat may increase or reduce the amount to be transferred as determined in the appendix of this Regulation by up to 50%, within the limits specified in the Law. Such action can be taken separately for the relevant insurance companies as per insurance principles.
- (7) In case the receivables of the Institution that are specified according to this Regulation are not paid in time, the second paragraph of Article 89 of Social Insurance and General Health Insurance Law No. 5510 and dated 31/5/2006 shall be applied.

## **Accidents within the scope of green card insurance**

### **ARTICLE 6**

(1) With regards to the health service charges arising due to traffic accidents in our country in which vehicles bearing foreign license plates are involved, the portion corresponding to the liability of the operator of the vehicle bearing foreign license plate within the framework of the Green Card Insurance shall be claimed by the Institution from the Bureau. The amount collected by the Bureau as per the relevant legislation shall be transferred to the Institution within 3 business days.

(2) In case of traffic accidents that occur abroad, payment shall be made by the Bureau as per the general provisions on the health service charges to be paid by the Bureau in line with the Green Card Insurance. If those amounts have been collected from the Institution, action shall be taken as per the first paragraph.

## **Other relevant optional insurances**

### **ARTICLE 7**

(1) Liability of the insurance companies writing optional insurance which may constitute the subject of a health service claim due to traffic accidents, within the scope of the mentioned policies are reserved.

## **Outcome of transfers**

### **ARTICLE 8**

(1) In line with the provisions of this Regulation, upon the transfer made to the Institution, the liabilities of insurance companies and the Assurance Account towards the policy holders and the beneficiaries in terms of coverage for health/treatment expenses, within the scope of Compulsory Traffic Insurance, Compulsory Transportation Insurance and Compulsory Personal Accident Insurance policies shall cease.

(2) For the health service charges within the framework of this Regulation, no further charge may be demanded from policy holders of Compulsory Traffic Insurance, Compulsory Transportation Insurance and Compulsory Personal Accident Insurance.

## **PART THREE**

### **Data Transfers, Data Entry and Right of Recourse**

#### **Data transfers**

##### **ARTICLE 9**

(1) System established for the collection of the treatment charges by the Directorate of Revolving Funds under the Ministry of Health shall be taken over by the Institution within 6 months following the date the Law is published. The procedures concerning the operation of the system shall be determined by the Institution as per the provisions of this Regulation.

(2) (*Modified: OG 2.12.2011-28130, Entry into Force: 27/8/2011*) The ambulance forms to be prepared by the Ministry of Health for traffic accidents shall be issued with fixed sequential numbers. The personnel to be appointed by the Ministry of Health shall send to the Centre in electronic medium the traffic accident report for traffic accidents with bodily injuries or the ambulance form, motor vehicle license plate, accident date information, and other information to be specified by the Undersecretariat, as per the relevant legislation.

(3) In relation with the health services rendered by the health service providers that have contracts/protocols with the Institution, the health service charges recorded in the MEDULA system and the other information deemed appropriate by the Undersecretariat in relation with the traffic accidents shall be sent in electronic medium by the Institution to the Centre. All health service charges that are made, or are continuing to be made in the MEDULA system due to traffic accidents shall be recorded in an updated way so as to continue its link with the relevant traffic accident, and this data shall be forwarded to the Centre in electronic medium.

(4) In relation with the health services they have rendered due to traffic accidents, those health service providers who do not have contracts with the Institution shall send to the Centre in electronic medium the charges for the health service and the victim involved in the accident, the operator of the accident, license plate of the motor vehicle, date and place of the accident, the traffic accident report issued for traffic accidents with bodily injuries as per the relevant legislation, the ambulance forms and other

information to be specified by the Undersecretariat. In the case of collections to be made from the Institution due to traffic accidents, these service providers should inform the Institution of the fact that they have transferred information to the database of the Centre within the framework of this article.

#### **Data entry**

##### **ARTICLE 10**

(1) Information collected at the Centre regarding health services provided in line with this Regulation, pursuant to Article 9 shall be accessible by the Assurance Account and the relevant insurance company in line with the technical principles to be specified by the Centre.

(2) Liability for health service charges provided within the scope of this Regulation shall be determined by the relevant insurance companies and the Assurance Account within the Centre as per the principles and procedures to be determined by the Undersecretariat.

(3) Data related with health service charges and liability shall be saved in the Centre database, per health institution, upon matching with the relevant insurance policies in line with the technical principles to be determined by the Centre, to set the basis for pricing and for determining the amount to be transferred by the Undersecretariat to the Institution within the scope of this Regulation.

(4) In accordance with this Regulation, the principles related with the mutual exchange of data between the Centre and the Institution shall be determined with the protocol to be issued by the mentioned institutions.

#### **Right of recourse**

##### **ARTICLE 11**

(1) Within the framework of the liability determined, the rights of recourse of the insurance companies and the Assurance Account towards the party liable for the damages within the framework of the relevant legislation are reserved. The collections made within the scope of the right of recourse shall be matched by the insurance companies and the Assurance Account and saved in the database of the Centre.

#### **PART FOUR**

##### **Provisional and Final Provisions**

#### **Traffic accidents prior to the publication date of the Law**

##### **PROVISIONAL ARTICLE 1**

(1) The entire treatment expenses which are arising from traffic accidents that have occurred prior to the publication date of the Law and which are unpaid as of the mentioned date shall be paid by the Institution within the scope of Provisional Article 1 of the Law. No returns shall be made to the relevant insurance companies and the Assurance Account in relation with the amounts collected from the relevant insurance companies and the Assurance Account due to traffic accidents which have occurred prior to such date. Such amounts may not be deducted from the amounts transferred to the Institution in accordance with this Regulation.

#### **Transfers between publication date of the Law and publication date of the regulation**

##### **PROVISIONAL ARTICLE 2**

(1) For traffic accidents which have occurred after the publication date of the Law, the relevant insurance companies shall transfer to the Institution on the dates specified by the Undersecretariat, the portion of the insurance premiums determined as per the calculation method appended to this Regulations, out of those insurance premiums which had accrued pursuant to the Compulsory Traffic Insurance, Compulsory Transportation Insurance and Compulsory Personal Accident Insurance policies issued from the date the Law was published until the date this Regulation was published.

(2) For traffic accidents which have occurred before the publication date of the Law, the relevant insurance companies shall transfer to the Institution on the dates specified by the Undersecretariat, the

portion of the insurance premiums determined as per the calculation method appended to this Regulations, out of those insurance premiums which had accrued pursuant to the Compulsory Transportation Insurance and Compulsory Personal Accident Insurance policies issued from the date the Law was published until the date this Regulation was published.

(3) For traffic accidents which have occurred after the publication date of the Law, the Assurance Account shall transfer to the Institution fifteen percent of all participation shares collected from the relevant insurance companies for Compulsory Traffic Insurance, Compulsory Transportation Insurance and Compulsory Personal Accident Insurance policies issued from the date the Law was published until the date this Regulation was published, within one month as of the date this Regulation is published.

(4) For traffic accidents which have occurred before the publication date of the Law, the Assurance Account shall also transfer to the Institution twenty percent of the amount to be transferred to the Institution pursuant to the third paragraph of this article, on the dates specified in the same paragraph.

### **Entry into Force**

#### **ARTICLE 12**

(1) This Regulation shall enter into force on the date of its publication.

### **Enforcement**

#### **ARTICLE 13**

(1) The provisions of this Regulation shall be executed by the Minister in charge of the Treasury Undersecretariat.

(Appendix 1 Treasury Traffic Accidents)

(Appendix 2 Calculation Method)

## Appendix 1

### CHART 1

#### Chart on the Development of Paid Losses within the Scope of the Compulsory Traffic Insurance Treatment Expenses Coverage

Payment Year					
damage ..... . ... ..payment ..policy ..... year .. year	2005	2006	2007	...*	The year prior to the calculation year **
2005	a	b	c	-	-
2006		d	e	-	-
2007			-	-	-
...*				-	-
The year prior to the calculation year **					h
<b>TOTAL</b>					

\*means the subsequent years.

\*\*calculation year means the year related with the transfer.

## **Appendix 2.**

## **CALCULATION METHOD**

### **Part A. Calculation Method for the Term Following the Entry into Force of the Law**

The liability corresponding to the health service charges for the period after the entry into force of the Law No. 6111 and dated 13/2/2011 shall be calculated according to the following principles.

#### **a-) Compulsory Traffic Insurance**

Within the framework of the policy and the damage data at the Centre; the health service charges which have been paid, and which correspond to the Compulsory Traffic Insurance policies issued during the term from the year 2005 until the year before the calculation year shall be entered on a policy year basis, and separately for each year, as per the actuarial chain ladder method as indicated in the chart in Appendix 1 (Chart 1).

The change rates compared with the previous year shall be determined for each year following the relevant policy year in relation with the relevant term, within the framework of these amounts (Chart 2). Change rates for each year following the policy year shall be calculated based on the arithmetical mean of these change rates (Chart 3).

For the relevant calculation, in the initial damage figure to be taken as the basis in the calculation, the figure obtained by increasing the total payment sums made from this branch on the policy year basis, in the 5-year time series prior to the calculation year, with regards to the health service charge the policy year of which has been paid on the year prior to the calculation year, according to the simple increase rate taken as the basis.

The amount of the health service charge corresponding to the policies issued in the relevant calculation year within the framework of this Regulation is calculated by separately applying the change rates for the relevant years specified in line with (Chart 3), on the initial damage of the calculation year specified thus (Chart 4 ).

The total health service charge calculated with this method is discounted using the inflation projections for the mentioned term, in the most recently published and current Medium Term Program, as of the calculation date for the calculation year and the subsequent years, and using the most recent year's inflation projection in the above-mentioned program for the term not included in the above-mentioned program (Chart 5).

The weights of the types of vehicles included in the appendix of "Regulation on Tariff Implementation Principles for Motor Vehicles Compulsory Third Party Liability Insurance" are found within the total (including outstanding) treatment damage for the year prior to the calculation year. The total health service charge calculated according to the paragraph above is allocated to the damage weights of the relevant vehicle types. The damage amount per vehicle type calculated in this manner divided by the number of policies issued in the year prior to the calculation year per the relevant vehicle types indicates the amount to be transferred to the institution for each policy (Chart 6).

As for the short term Compulsory Traffic Insurance policies issued for the vehicles entering into our country and bearing foreign license plates, the portion calculated based on days for the relevant vehicle type, provided that it is not less than  $\frac{1}{4}$  of the amount determined using the calculation method for Compulsory Traffic Insurance in this Regulation, shall be transferred to the Institution.

**aa-) Calculation for compulsory traffic insurance for the year 2011**

For the year 2011; when calculating the amount to be transferred to the Institution for each policy in the Compulsory Traffic Insurance, the number of policies issued between 25/2/2010-31/12/2010 (including these dates) shall be taken as the basis, in the policy figures in Chart 6.

**b-) Compulsory Transportation Financial Liability Insurance**

15% of the premiums written for the policies issued as of 25/2/2011 shall be transferred to the Institution.

**c-) Compulsory Personal Accident Insurance**

15% of the premiums written for the policies issued as of 25/2/2011 shall be transferred to the Institution.

**Part B. Calculation Method for the Term Prior to the Entry into Force of the Law**

The amount corresponding to the health service charges for the term before the entry into force of the Law No. 6111 and dated 13/2/2011 shall be calculated as per the principles below.

**Compulsory Traffic Insurance**

Between 1/1/2001-25/2/2011 (including these dates), in the payment amounts of the treatment coverage realized within the scope of this insurance by the insurance companies holding a license in the relevant insurance branch, the shares of all insurance companies operating in the relevant term shall be determined taking into account the bodily injury claim amounts included the Sector Activity Reports prepared by the Insurance Supervision Board of the Undersecretariat of Treasury for the relevant term (Chart 7).

20% of the total health service charge determined in line with Part A of the appendix of this Regulation shall be distributed to the relevant companies in the ratios calculated in accordance with the paragraph above.

When making the above-mentioned distributions, the amounts corresponding to the insurance companies, the liabilities of which have been undertaken by the Assurance Account within the framework of the relevant legislation shall be covered by the Assurance Account.

**Compulsory Transportation Financial Liability Insurance**

Between 19/1/2004-25/2/2011 (including these dates) which is the foundation date for the mentioned branch, in the payment amounts of the treatment coverage realized within the scope of this insurance by the insurance companies holding a license in the relevant insurance branch, the shares of all insurance companies operating in the relevant term shall be determined taking into account the bodily injury claim amounts included the Sector Activity Reports prepared by the Insurance Supervision Board of the Undersecretariat of Treasury for the relevant term (Chart 7-a).

In relation with the policies issued in the relevant insurance branch, the share per each company according to the distribution set forth in the above paragraph, out of the 20% of the sum of the monthly premiums written, shall also be transferred to the Institution by the relevant companies.



In relation with this insurance, 20% of the transfer amount determined according to Part A appended to this Regulation shall also be transferred to the Institution by the Assurance Account.

### **Compulsory Personal Accident Insurance**

Between 1/1/2001-25/2/2011 (including these dates), in the payment amounts of the treatment coverage realized within the scope of this insurance by the insurance companies holding a license in the relevant insurance branch, the shares of all insurance companies operating in the relevant term shall be determined taking into account the bodily injury claim amounts included the Sector Activity Reports prepared by the Insurance Supervision Board of the Undersecretariat of Treasury for the relevant term (Chart 7-b).

In relation with the policies issued in the relevant insurance branch, the share per each company according to the distribution set forth in the above paragraph, out of the 20% of the sum of the monthly premiums written, shall also be transferred to the Institution by the relevant companies.

In relation with this insurance, 20% of the transfer amount determined according to Part A appended to this Regulation shall also be transferred to the Institution by the Assurance Account.

**Part C.** The Undersecretariat shall notify the relevant insurance companies of the specific liabilities within the framework of the calculation method explained above.