



**QUESTIONNAIRE ON THE INSURANCE METHODS
APPLICABLE TO THE TRANSPORT OF GOODS BY ROAD**

HUNGARY

Information provided by: Association des Transporteurs Routiers MKFE, Budapest

1. Which legal bases refer in your country to the insurance of the transport of goods by road:

a) for national transport?

b) for international transport?

In Hungary, there are three pieces of legislation concerning this question. There is no such rule which deals exclusively with goods transport insurance.

In the Civil Code, which contains rules on different types of insurance contracts, there are provisions on both the property insurance contracts (on the basis of which contractual conditions of cargo insurance have developed) and the liability insurance contracts (on the basis of which the contractual conditions of the transport operator's liability have evolved). There is no distinction made between insurance contract for national and international transport in this law.

The rules (in different insurance contracts) of individual insurance agencies are however differing for national and international transport.

Respective Law in Hungary:

1/ Civil Code dated 1959 (Law No. IV , arts. 536-567, see its text in English translation on www.irm.hu)

2/ Law No. LX of 2003 on insurance companies and their activities

3/ Government Decree No. 190/2004 (VI.8.) on compulsory third party insurance of persons operating vehicles

2. Is this regulation of imperative nature?

NO, but rules of insurance companies and provisions of an insurance contract can not deviate from provisions on insurances of the Civil Code in any disadvantageous way for the person insured. The Decree on third party insurance is of imperative nature (and it concerns insurance regarding road accidents).

In international transport, shippers insist that transport operators take out CMR insurance to cover their responsibility concerning the transport operator's activity. In national transport, such an insurance to cover the transport operator's liability is not customary.

3. Does the national regulation make a distinction between an insurance concerning the damages suffered by the goods and an insurance linked to the contractual liability of the transport operator?

Yes. One is an insurance on the property (cargo insurance) taken out normally by the owner of the cargo, while the other one is a liability insurance taken out by the transport operator (see Civil Code dated 1959 (Law No. IV, arts. 536-567).

4. If the answer to question 3 is positive, is it possible to foresee the two types of insurance in the same contract?

Yes, but not in practice.

If both types of insurance are taken out, then cargo insurance is complemented by the transport operator's liability insurance which may cover losses not covered by the cargo insurance.

5. Is there a model of insurance contract for these types of insurance?

YES. There is a general model (made by insurance companies, not by law) and on the basis of that model each individual insurance company defines its own insurance conditions.

6. If the answer to question 5 is positive, does this model have to be systematically respected by insurance companies?

YES, but only the basis (see answer to question 5).

Basic conditions have been defined by Law, thus they are identical in every model.

7. Which of these two insurances is most frequently contracted:

a) by the transport operator?

CMR liability insurance, which is practically always contracted for international operations

b) by the freight forwarder?

Insurance (CMR) is taken out by the forwarder only at special request of the shipper in case of high cargo value and/or other special transport conditions.

8. In practice, does the consignor generally insure his goods?

YES. Cargo insurance is normally contracted by the owner of the goods

9. What is the legal basis for the recourse by the insurer against the person responsible for the damage (including the transport operator)?

Civil Code art. 558. According to this provision, if the insurance company paid indemnity for the damage to the party which has suffered it, he has the right of recourse against the person responsible for that damage. If the transport operator has not take out transport liability insurance, it is still liable for the damage in the goods according to liability restrictions as per the CMR in international transport and the Civil Code in national transport. Regarding liability insurance, in correspondence with art. 559 (3) of the Civil Code, the insurance company may practice its recourse rights against the insured person in case of wilful act or negligence.

10. Is it possible to insert a clause in the insurance contract which would forbid any recourse from the insurer?

No.

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