

# New amount of contribution to the Insurance Guarantee Fund in Romania

On 29 October 2014, the Official Gazette published the Financial Supervisory Authority (the “FSA”) Norm no. 20 of 2014, which increases the level of contribution due by the insurers to the Insurance Guarantee Fund (the “IGF”) (the “FSA Norm 20/2014”).

Starting with the 2015 financial year, the FSA Norm 20/2014 requires insurers to contribute to the IGF an amount of:

- (i) 1% of the gross cashed-in premiums for general insurance (instead of 0.8% as currently required);
- (ii) 0.4% of the gross cashed-in premiums for life insurance (instead of 0.3% as currently required).

The FSA Norm 20/2014 will enter into force on 1 January 2015.

The IGF was established by Law no. 136/1995 regulating insurance and reinsurance in Romania so as to protect the insureds, beneficiaries and injured third parties. The FSA is legally empowered to establish the contributions due by insurers to the IGF as a percentage applied to the gross cashed-in insurance premiums. The IGF is administered by the FSA and is designated for payment of indemnity derived from insurance contracts in the eventuality of occurrence of insurers’ insolvability.

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