

COTAR: ASF raises RCA tariff, despite decrease in number of accidents

The Financial Supervisory Authority (ASF) has increased the reference tariff of Civil Auto Liability insurance (RCA), despite the number of auto accidents going down, reads a press release sent on Wednesday by the Confederation of Operators and Authorized Transporters of Romania (COTAR).

"COTAR expresses its concern regarding the increase in the RCA reference tariff, published by ASF. While the insurance companies from other countries have refunded drivers a part of the RCA price, charged in advance, based on the traffic restrictions caused by the COVID-19 pandemic and the low traffic values, Romania has increased the RCA price, despite the number of accidents going down," the press release sent by the Employer organization says.

COTAR presents information published by ASF in March 2021, according to which the frequency and severity of damages dropped in 2019 from 2018.

"The frequency (how often accidents occur) and the severity (the value of the paid damages) are decreasing and represent the two main parameters which determine the RCA price. This means that in 2019 - which is the last reference year taken into calculation for the RCA premium - we observe that both the frequency of the damage (5.81) as well as the severity of the damage (6.4379) are dropping from the previous year (2018). In conclusion, in 2019, Romanians made fewer accidents, with lower average damages from 2018," according to the COTAR press release.

Furthermore, in 2020, during the health crisis period, in Romania there were two months of state of emergency, followed by seven months of state of alert, and until recently there were imposed traffic restrictions during night time, the organization notes.

During this period, traffic values have gone down significantly, at a national level, and so did the number of road accidents, and, implicitly, the number of RCA claims paid by insurance companies, according to the COTAR press release.

COTAR reminds that the decrease in number of accidents is confirmed by the Police and the European Commission.

With all these decreases in the number of accidents, the reference tariff of RCA, published in March 2021 by ASF does not decrease, on the contrary, there are even increases registered, COTAR points out.

The chairman of COTAR, Vasile Stefanescu, considers that ASF thus favors insurance companies, at the expense of drivers.