



## A Critical Study of the Relationship Between Car Accidents and the Amount of Compensation Paid by the Insurance Company for the Period From 2016 Into 2020

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**Abstract:** This research aims to critically study the relationship between the number of road accidents and the amount of compensation paid by the insurance company (compulsory insurance) for the period from 2016 into 2020. Traffic accidents are among the most prominent contemporary problems. It leads to human and material losses. Therefore, the result is economic losses which have an impact on the size of compensation paid by the company as compulsory insurance and does not require a document and that everyone is covered by compensation according to the conditions mentioned in the compulsory car insurance law (CCIL). The main research hypothesis states the existence of a relationship between the number of accidents and the amount of compensation paid. The selection of the research was based on the increase of road accidents for various reasons, with the scarcity of studies that address the relationship between this increase and the amount of compensation paid. The research reached a comparison, analysis and criticism of the variables over a five-year period based on traffic accident statistics recorded by the Iraqi transport and communications statistics directorate.

**Keywords:** Compulsory, insurance law, road accidents.

### Introduction

Compulsory car insurance is one of the effective systems which ensures the affected person by car accidents to obtain compensation that compels the damage incurred to them. Therefore, the Iraqi legislator made insurance for civil liability arising from traffic accidents mandatory, to ensure that the right of the injured is not lost, or the right of the injured is delayed in the event of the insolvency of the person who caused the damage by paying the compensation required by the injured person.



Therefore, the compulsory car accident insurance law (CCAIL) in Iraq expanded its provisions in terms of its coverage. It compensated many cases that were not included in the compulsory insurance law (CIL) from civil liability arising from vehicle accidents No. 205 for the 1964.

The CIL included the run-over accidents, bodily injuries, and even included the damage caused by foreign vehicles while entering Iraq with the possession of others. Therefore, the law obligating the insured to compensate for death or physical injury. Therefore, compensating the aggrieved person is the main obligation of the insured person. Moreover, the insured person pays the compensation to the aggrieved is the burden that is lifted from the shoulders of the insured person if the elements of civil liability are proven to be caused by error. Thus, the responsibility has been realized and the necessity of compensation, but the Iraqi legislator did not specify how to determine the amount of compensation paid to the aggrieved person.

The law affirmed in accordance with (Article 13, first paragraph) the principle of forfeiting the right to claim the insurer if the aggrieved person or the driver did not inform the insurer in writing letter within a specified period. The law took the principle of the statute of limitations arising from the law with the expiry of a period of three years from the time of the accident, then it was amended to make the period one year from the date of the accident.

### **Research methodology and previous studies**

#### **Methods:**

This section presents the research methodology by presenting the research problem, its importance, objectives, hypothesis and temporal limits.

#### **Research problem**

the increase numbers of road accidents in Iraq as well as the increase of cars for the study period and the increase of the compensation amounts paid from the sums of revenue in comparison with the small number of claimants for compensation from those affected by the accident. Basically, does this increase have an impact or relationship with the amount of compensation paid by insurance companies.

#### **The importance of the research**

The importance of this research emerges from the large increase of cars annually and the increase in the ratio of cars to the population which leads to an increase in the percentage of accidents registered and unregistered in the statistical departments. Moreover, this researcher is exposed to a study of a problem that concerns the economic, health, social and security departments. Likely, analyzing the relationship between the number of accidents and the amount of compensation paid is one of the important topics which aims to show whether there is an impact or not exists if the accident rate changes. As a result, we may reach recommendations that affect the accident rate or compensation amounts.

#### **Research objective**

This research aims to critically study the relationship between the percentage of car accidents and the amount of compensation, and whether the increase of car numbers and the percentage of accidents have an impact on the amount of compensation paid.

#### **Research hypothesis**



There is a relationship between the number of accidents and the amount of compensation paid by the insurance company and between the number of people affected by accidents and the number claimants to compensation.

### **Research limits**

The time limits of the study cover the percentage of accidents for the period from 2016 to 2020, compared to the amount of compensation paid by the insurance company during the same period.

**Analytical tools** were used to extract the relationship between the study variables.

### **Previous studies**

Some previous studies related to the topic were reviewed. They were used to support the theoretical aspect. They were divided into two parts: Arab studies and foreign studies.

#### **Arabic Studies**

The study of Al-Rifai and Abu Bakr (2009):

<b>Title</b>	Quantitative analysis of traffic accidents indicators in Jordan: a study in car hazard management
<b>Research problem</b>	The problems resulting from traffic accidents in various parts of the world have become amongst the contemporary security problems. They call for the concern of various security agencies, health and economic departments in all countries of the world. Arab countries also suffer from these problems. The statistics of the World Health Organization (WHO) stated that the number of deaths as a result of traffic accidents has reached (1.4) million people, at a rate of more than three thousand people per day, concerning developing countries, including (85%), and between 20-50 million are injured. Furthermore, the economic cost (treatment costs for the injured) amounted to about 518 billion dollars. The WHO indicated that traffic accidents are expected to be a major cause of death that competes with other causes of death such as heart disease and cancer by 2020.
<b>Methods</b>	The researcher relied on historical data
<b>results</b>	The quantitative analysis of traffic accident indicators is one of the most serious issues for the planning decision maker in the country and for insurance companies (which practice car insurance), and also for the traffic department, which seeks to achieve safety for road users and reduce the possibilities of traffic accidents. Therefore, the possibility of predicting traffic accidents has a relationship by the frequency of road accidents and by traffic factors that will be best used in determining the type and importance of improvements to be made. Furthermore, the possibility of predicting the traffic accidents helps insurance companies (which practice car insurance) to develop special systems to classify the risk and make appropriate estimates of the risk, and thus the possibility of proper pricing of the documents.



## 2. The compulsory insurance law and road accidents

### *The concept of insurance*

It is an essential source of safety and reassurance from the risks that any member of society may be exposed to. Insurance with all its classifications constitutes the security that individuals wish to obtain through paying a specific amount of money in return for obtaining insurance amounts that compensate them for the value of the material, moral and human losses they are exposed to. The insurance is an agreement between two parties, the first is an insurance financial institution that aims to achieve profits, and the second is the beneficiary side of the amounts received as compensation for accidents (Abul-Haja, 2009).

An insurance is taken from reassurance that is against fear and from trust that is against treachery, it is said that it is security, trusted and trusted. Moreover, the insurance is used to denote a special contract carried out by insurance companies under which a sum is paid in the event of a specific accident to a person who pays them a premium of money (bin Jubair, 2020). It also defined as the transfer of the financial effects of risks to which individuals or establishments are exposed to bodies specialized in bearing these risks, in return for payment (Al-Maghrabi, 2016).

Al-Masoudi (2007) identified the most important types of insurance policies:

- a. Tort liability incidents.
- B. industry accidents.
- c. Work injury accidents.
- d. Accident of theft, embezzlement and burglary.
- e. Car accidents, whose victims are compensated according to the text of the compulsory car insurance law.

### **Compulsory insurance**

The concept of compulsory insurance aims to insure the damages occurred to a third party resulted by the insured's car. The insured is obligated to cover the liability of the car owner, or any other person from whom the car accident occurred. Whenever a fault is proven, it is compulsory on the insured to pay to the affected person by the accident compensations for the physical damage he sustained when the liability of the perpetrator of the accident is realized.

The compulsory insurance does not include a validity period for the start or end of the contract, but the term of compensation is not specified on a date. The amount of compensation is calculated when the third person is exposed because of one of the individuals inflicting damage on him as a result of car accidents. Therefore, the accident is defined in this type of insurance as the material and human loss due to the occurrence of road accidents (Ismail, 2007).

Compulsory insurance is the financial compensation received from the insured for the injured person in accordance with the law in exchange for individuals paying the insurance premium through a specific percentage of the fuel of the car that used and causing the damage (Abdel Salam, 2019).

By describing the compulsory insurance law, the parties included in this law and granted insurance coverage are:

- A. The insurer (National Insurance Company of Iraq)
- B. The cause of the damage (owner or driver of the vehicle)



c. The injured person (is the most important party according to the insurance law. The paragraphs of CCAIL are legislated in order to provide insurance protection because of the risks and damages that person is exposed to due to traffic accidents whether by Iraqi or foreign cars which are traveling on the Iraqi territory, and thus the effected person is exposed to physical injury or death. The Article (2, Paragraph First) of the CCAIL No. 52 of 1980 and its amendments highlighted that one of the most important obligations of the insurer is to pay the compensation when damage occurs. The obligations of the insured (insurance company) in compensation are represented in two main points, namely (Law 52, 1980, see Appendix No. 2).

**First:** The insurer is obligated to compensate for death or physical injury to any person as a result of using the vehicle.

**Second:** The insurer shall pay the amount of compensation referred to in the first paragraph of (Article, 2) to the right holder (the injured person) in one payment, and it is not legally to divide it in installments, or to make it a regular income (Kamal, 2013). At the present time that road accidents are considered among the major and influential problems that cause human and economic losses for the individual and society. Similarly, the WHO considers car accidents the second main cause of death among the world's population. Moreover, the number of physical injuries increases compared to the increase in the number of cars in Iraq and the old infrastructure which help to increase the rate of accidents.

### **1- Categories covered**

All Iraqis and residents are included in the compensation within the provisions of the CIL. It is one of the free types of insurance and does not entail legal and judicial expenses or fees. It differs from the optional compensation in terms of premiums and reimbursement; the insurance includes car accidents resulted from road accidents.

Compensation is due to all members of society and residents in Iraq. Each of them has the right to claim compensation when death or injury is achieved in the event of any car run-down, overturning or collision accident, as well as civil liability insurance. In the event that someone's behavior leads to harm others, the responsibility rests with the insurance of individual (Annual Report of the National Insurance Company, 2021).

### **2- Car Accident Fund**

The compulsory insurance fund (CIF) was established under the amended compulsory insurance law (ACIL) No. 52 in 1980, which concerns car accidents. The premiums for this insurance are collected from fuel at a rate of (3) per thousand per liter, which means (300) fils per liter. These amounts are transferred from the petroleum products to the national insurance company (NIC) which is concerned with paying compensation to those affected by accidents. That is, the insurance company does not need to go through the process of obtaining the premiums for car accident insurance. Previously in 1987, the insurance was based on a receipt that extracted the compensation from the premium, and this receipt was considered a document, but now the company depends on deductions from fuel (The ACIL No. 52 in 1980).

### **3- Paying the compensation**

The right of the injured person is to go directly to the insured when the accident is realized, and he is exposed to the damage. Since, it is a legal right to claim compensation. Compensation is settled



according to the CIL No. 52 in the year 1980; then it was amended by submitting an application to the insurance company. The effected party, whether the result of the accident was injury or death, must submit a request to receive compensation based on investigative papers, medical reports, forensic science division, or a maintenance argument, if he supports people who are not included in the legal division and who are not heirs. Compensation is carried out through the judicial committee formed in the insurance branch headed by a judge chosen by the Supreme Judicial Council and the membership of a representative from the NIC and a representative from the Ministry of Labor and Social Affairs. The estimated compensation by the compensation committee is subjected to distinction in the court of excellence (Hammam, 2004; Decision No. 815 of 1982).

### **3. The nature of the compulsory liability insurance law**

#### **3.1- Insurance Law**

The only effective law in Iraq is the CIL from the civil liability for car accidents. The company has optional insurance in addition to the compulsory insurance for cars. Thus, there should be a law related to the insurance sector to regulate the insurance business as an activity and activate the compulsory insurance. Likely, the compulsory insurance should not be limited to cars and loans. Rather, there must be a law that secures professional liability, which is no less important than compulsory insurance (Shukri, 2012).

#### **3.2-The nature of the law on compulsory insurance of liability**

The objective of compulsory road accident insurance (responsibility) is to shift the responsibility of the insured to bear the burden of compensating the damages resulting from the unintended harmful risk due to the verification of car accidents under the provisions of the CIL on the insurer (insurance company), which affects his financial liability. It is considered an agreement to transfer the liability. If the liability of the person is realized before a third party. Then this third party returned to him for compensation, the insurance company pays the compensation to the injured person instead of the insured doing so (Al-Mousa, 2010).

Moreover, the nature of compulsory insurance is based on technical and legal bases among an unlimited group of individuals to face a danger threatening them. It is the financial burden resulting from the establishment of civil liability. Hence, everyone is jointly responsible to ward off the financial consequences of this responsibility on the shoulders of those whose responsibility for the damage has been realized or to incur expenses in order to ward off this responsibility. Besides, the scope of the insurance protection in the compulsory insurance in terms of the subject matter and in terms of the persons covered by the protection.

The compulsory insurance covers the physical damages to the passengers and the driver of the vehicle with the presence of exceptional cases. It also includes moral and material damages represented in the expenses of treatment and loss of earning and loss of ability to earn. Moreover, this type of insurance also covers material damage to property that was damaged as a result of a road accident (Salam & Musa, 2009).

#### **3.3- The legal basis for the issuance the compulsory liability insurance law**

It is the obligation to compensate the victims of road accidents, by virtue of compulsory insurance, a two-fold obligation. The first of which is the tort responsibility of the insured of the harmful act



whereas the second is the legal responsibility of the insurance company. So, the injured person can benefit from both parts without combining them. The road accident results from a person (the driver of the vehicle or from pedestrians) by an act or omission in violation of a legal rule, which leads to damage. The damage is the harm that affects the money of the victim or himself. It is the prejudice to a financial, or moral interest. Civil liability is based on the obligation to compensate the injured for the damage incurred (Abul-Haija, 2002).

Compulsory accident insurance aims to bear the insurance company the compensation as a result of the car accidents verification. It is reflected on the injured person who is in a stronger position with the blessing of the law. Compulsory insurance is considered one of the sections of insurance from damages, and the principle of compensatory capacity applies to it. It is one of the principles related to public order, which compensates the injured person due to the damaged inflicted to him. But it is not permissible for the insured to obtain from the insurance company an amount more than the amount that he paid to the injured person, and he discharges his responsibility towards the injured person, otherwise insurance becomes a means of enrichment. However, there are some cases in which the insurance company should not be asked about the insured's compensation according to (El-Feqi, 2002; The ACIL No. 52 of 1980):

a) The insurance company may retreat to the insured and the driver of the vehicle that caused the accident to recover the compensation it paid to the injured person in any of the following cases (Annual Report of National Insurance Company, 2021):

1. If the driver of the vehicle causing the accident, when the accident occurred, was not in possession of a driving license or the category of driving license that he possessed was not the same of the category of vehicle he was driving, or if that license was permanently canceled or suspended for a period during which the driver is not allowed to drive.
2. If the driver of the vehicle who caused the accident, when the accident occurred, was unable to control the vehicle he was driving in the manner expected of an ordinary person. Hence, the driver was under the influence of an intoxicant in a percentage exceeding the permissible limit for the concentration of alcohol in the blood in accordance with the instructions issued for this purpose in accordance with the provisions of the legislation in force or because he was under the influence of drugs.
3. If the accident occurred due to the use of the vehicle for purposes other than the legislation in force.
4. If the vehicle is used in a manner that increases danger due to a violation of the provisions of the legislation in force, or if the vehicle is used for purposes that violate the law or public order, provided that, in all cases, that violation is the direct cause of the accident and involves an intentional misdemeanor or felony.
5. If the accident occurred because the vehicle was used to teach driving, and the vehicle was not licensed for this purpose.

B- The insurance company may come back to the driver of the vehicle which caused the accident to get back the compensation it paid for the victim in any of the following cases:

1. If it is proven that the accident was intentional by the driver of the vehicle which caused the accident.
2. If the damage was caused by a stolen vehicle or used unlawfully.



C- The insurance company may come back to the insured and the driver of the vehicle that caused the accident to get back the compensation it paid to the affected passengers of the vehicle causing the accident in any of the following two cases:

1. Using the vehicle to transport people without being licensed, equipped for this purpose or authorized to do so.
2. Transporting a number of passengers exceeding the permissible limit in accordance with the provisions of the legislation in force. In this case, the insurance company's right of recourse is calculated on the basis of the ratio of the number of passengers carried by the vehicle in excess of the permissible limit to the number of passengers the vehicle was carrying during the accident.

### 3.4- Compensation for road accident victims

Because of the economic, social and technological developments that the world is witnessing whether such developments are on vehicles or their frequent use, and the congestion of roads in them, they impede the movement of individuals and thus lead to the multiplicity of types of accidents and injuries (death, or physical injuries). So, we find that every person in the world is likely to face the risk of being injured in a car accident at any time (Al-Sanhouri, 2009). Accordingly, it can be legally defined car accidents:

Road accidents are any accident that physically affects a person as a result of his or another person's use of a vehicle used for transportation purposes. Road accident victims are compensated according to the Road Accident Victims Compensation Law (Al-Mousa, 2010).

Therefore, compensating the injured person by vehicle accidents is a material and moral reparation for the damages he sustained. If he did not expose to danger, he would have had a greater real opportunity to obtain a financial gain, but this opportunity was lost due to the physical harm he sustained (Kamal, 2013).

### 3.5. Ignorance of the citizen in claiming compensation for traffic accidents

The decision to compensate the dead and injured persons in road accidents or (traffic accidents) issued because the members of society in Iraq are witnessing a remarkable increase in the number of road accidents due to the lack of safety requirements on the roads and in the cars used by citizens and the poorly maintained roadway, indicating that the number of traffic accidents reached (16,587). They were divided between deaths wounded which reached (5152, 18404) respectively.

The largest percentage of accidents was as a result of collisions, with a number reaching (12,421) accidents, followed by run-over accidents with (3,267) accidents. Likely, the total accidents by road category on the main roads amounted to (4,695) accidents, followed by secondary roads with (1779) accidents.

"Road accidents cause many deaths and injuries, and most members of Iraqi society are not aware of the financial compensation they have with the insurance company without paying insurance premiums." This decision is enforceable and applied. Any deceased or injured person by one of the means of transportation inside Iraq and exclusively by Iraqis shall be compensated without paying the amounts of insurance premiums because the premiums are paid to the insurance company at





the rate of (one dinar for every liter of gasoline) sold in Iraq. One of the conditions for obtaining compensation is that “the request for compensation shall be not more than three years for death, and two years for the injured (The CIL is one of the provisions of Paragraph (7) of Revolutionary Command Council Resolution No. 815 of 20/6/1982).

This important decision is unknown by most Iraqi citizens, and it is the decision to compensate the dead and injured in traffic accidents, with large sums and without paying the amounts of insurance premiums. This is the main objective of the research by comparing the number of accidents and the proportion of those compensated, and then identifying the reasons for this disparity.

#### **4. The insurance company and the limits of compensation amounts**

There are rights that belong to the Iraqi citizen for compensation as a result of traffic accidents. They are compensation for life during car accidents. The NIC pays the expenses, which the citizen is ignorant of. Kamal (2013), Khalil (2008) listed the amounts as:

##### **4.1- In the event of death**

1. A lump sum (1,000,000) dinars, called "warm", is disbursed.
2. An amount of (2,000,000) dinars is paid to each heir. This amount differs for the adult son and the married girl, where an amount of (750.00) dinars is paid to each, and the rest is deducted, because the compensation is a moral part, and the other is material, so the material compensation is deducted.

##### **4. 2- In the event of the victim becomes disable**

1. An amount of 14,000,000 dinars is disbursed to the victim; it is determined according to the percentage of disability issued by the medical board for the disability.
2. A fixed lump sum of 650,000 dinars is paid to the victim in case of no permanent injury or no disability.

##### **4. 3- Mechanism for claiming compensation: according to (Decision No. 815 of 1982), Kamal (2013) indicated the following mechanism:**

- a) Submitting a request to the NIC that determines the place and time of the accident.
- b) The NIC issues a letter to the police station where the accident is registered requesting priorities. Then the company takes the specific procedures for paying the compensation.
- c) The period between the accident and the claim for compensation should not exceed a year. But, if it exceeds the year, the right to claim forfeits (the legal paragraph has been amended regarding the duration of the accident).
- d) The victim must not have taken the amount of blood money (got by the clan to solve the dispute) caused of the accident in the lawsuit, the injured person has the right to claim compensation.

#### **4- Compulsory insurance funds in terms of deposit and distribution**

Compulsory insurance premiums are paid automatically extracted form the amount of fuel consumed by the vehicle (fuel sales by the Ministry of Oil). So, the compulsory insurance premiums on vehicles are met at a rate of (0.003) of the total sales amounts of the oil products distribution company (OPDC) of gasoline and kerosene oil, except for the supplied ones, to the ministry of electricity. The sums are deposited with the NIC, as it is the leading and only company that includes a special branch of compulsory insurance until the sums will be distributed to the



individuals affected by car accidents; they died or suffer from physical injuries. The distribution of the deposited amounts in the OPDC after deducting its share of half a percent of this amount, at the rate of (50%) to the NIC and (50%) to the general budget of the state (Afif, 1999). As soon as we discovered that we, as citizens, pay insurance fees within our purchases of fuel since 1988 and for an unknown period without providing us with any benefits or services. Insurance is a cost and must be matched by benefits. But the opposite possibilities are noticed; the insurance is useless and thus violates logic, citizenship rights and the constitution.

### **5- The advantages of car insurance are important issues according to Salam and Musa (2009) for the following reasons:**

1. It obliges all owners of vehicles traveling on Iraqi territory, whether Iraqi, foreign, or transit cars to automatically insure them, as it is a mandatory insurance and does not need to issue an insurance policy.
2. A sense of security is felt due to the provision of protection to all members of society.
3. Protection of all members of society, without excluding any group, whether the victim is an Iraqi or a foreigner, according to the CCAIL No. (52) for the year 1980, as amended, (Article 2, Paragraphs first and second) of death, bodily injuries and the money of others.
4. Compensation amounts are paid to those affected to cover the costs of treatment or death.
5. Protecting people from car accidents that enter Iraqi territory.
6. Provides compensatory amounts, whether material or moral to the individuals aided by the victim.
7. Reducing clan problems and resolving disputes amicably due to the existence of compensation in accordance with the insurance law.
8. Vehicle owners are not required to pay the installments according to the type and model of the car as required in the general insurance policies.
9. Compulsory insurance coverage is not determined according to a period of time, as is the case in other insurance policies, which is often a year, except for life insurance. Because of this period, the insured may lose the amounts of insurance premiums paid during this period.
10. The car owner does not need to visit the insurance company in order to renew or terminate the policy or any settlement when it pays the amount of compensation to the injured party.
11. The law neither specifies the profession or age of the driver or owner of the vehicle nor the diseases the owner is affected by as in the supplementary car insurance policy.

### **6. The disadvantages of CIL: Researchers believe that there are some defects or negatives, which are:**

1. To receive the compensation, it requires continuous review and routine administrative procedures in the insurance company; it instead leads the victim to resort to the tribe and claim clan solution to the accident or blood money instead of compensation.
2. The CIL confirms the protection of individuals affected by vehicle accidents, but it does not cover the risks to which the vehicle is exposed.
3. The CIL does not provide protective insurance for the damage to the owner or driver of the vehicle due to collision or overturning, as is the case in the comprehensive insurance policy.
4. The CIL did not cover the people who are in the car when they suffer damage, but the damage they are exposed to is covered in the supplementary car insurance policy.



### **1- Critically analysis of the relationship between road accidents and the amount of compensation paid**

The NIC is obligated to implement the car accident insurance law according to its terms and obligations. The regulations which were emphasized by the text of the law which states collecting premiums through gasoline.

The insurance sector in Iraq is not the birth of recent years. The Babylonian civilization was the first to practice insurance, and the number of 30 insurance companies in Iraq which registered with the Insurance Bureau under the provisions of the insurance regulation law No. 10 of 2005. Insurance is one of the tributaries of the economy. Furthermore, any developed country cannot lose sight of the insurance sector; its economy depends on two sides: banks and insurance companies, as banks grant loans and insurance companies help to cover the activities of banks.

several reasons lead to the weakness of insurance in Iraq. The first is the lack of insurance culture, because the economy suffers from crises that make insurance not a priority, and insurance flourishes with the prosperity of the economy, as well as the loss of desire for insurance as a result of distrust of companies

Compulsory car accident insurance is the only insurance organized by the amended compulsory car accident insurance law (ACCAIL) No. 52 of 1980. The law gave the citizen the right to resort to the NIC to claim compensation for bodily harm, injury or death as a result of a car accident. It includes all Iraqis and non-Iraqis who are on the territory of the republic of Iraq, even those of non-Iraqi nationality.

### **2. The reasons for the increase in accidents in Iraq**

Iraq has not developed its traffic system since 2003, nor has it devised a modern traffic system, or developed a control system for traffic signs and the movement of individuals and vehicles. The traffic system is in complete chaos according to the size of the disparity and the vast difference between Iraq and other countries. Thousands of them drive their vehicles without a driving license - or what is called (annual). So, we find it necessary to hold violators accountable and return honestly to the system of fines, seizure, confiscation and law enforcement everyone, because traffic accidents in Iraq constituted a humanitarian catastrophe due to the increasing number of victims every hour of the day. According to the reports of the WHO, Iraq is one of the highest countries in the world in the number of deaths caused by traffic accidents, which has escalated in recent years (WHO report, Middle East Regional Office, 2022).

### **3. Statistical Indicators**

Officially registered traffic accidents within the Ministry of Planning / Central Statistical Organization for the period from 2016/ to 2020, as shown in the following table (Ministry of Planning, Directorate of Transportation and Communications Statistics).

1- The number of officially registered traffic accidents for the years under study was (8763), (8824) (9852), (10753) and (8186) respectively, as shown in Table 1.

2- The researchers, according to review and random questioning the specialists (health, traffic, citizens and tribal sheikhs) see that double these numbers of accidents are not registered and are resolved amicably without referring and relying on the law.

Table 1. Main indicator of the traffic accidents recorded for the years (2016-2020).

Year	No of Accident	No of deaths	No of injuries
2016	8763	2531	9,016
2017	8824	2621	9,388
2018	9852	2767	10,439
2019	10753	2636	11,651
2020	8186	2152	8,383
Percentage ratio for 2019-2022	-23.9	-18.4	-28

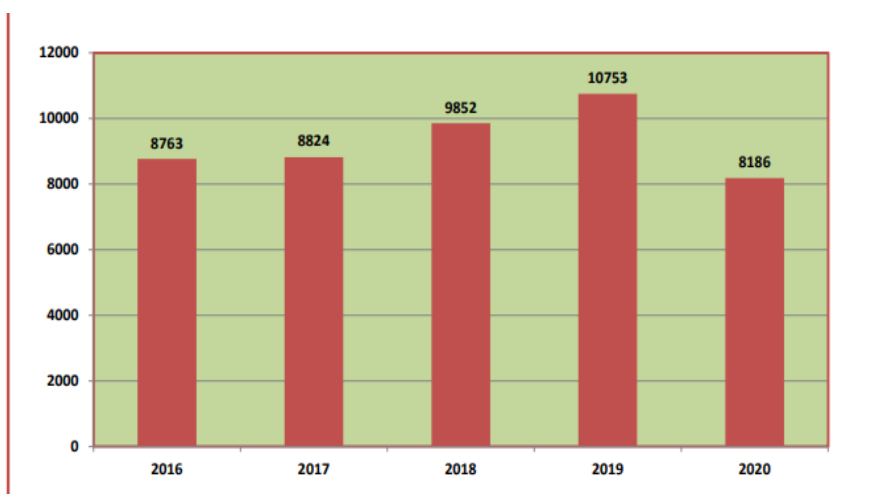


Figure 1. Number of traffic accident registered from 2016 into 2020

3. They visited the insurance companies for the purpose of claiming compensation. They were divided into the category of injuries and the category of deaths. Noting that these are numbers for accidents actually registered in the Ministry of Health, and researchers believe that double of these accidents are not registered and resolved according to prevailing norms.

Table 2. The total number of accidents based on the statistics of the Ministry of Interior and Ministry of Health

Year	Number of injuries	Number of deaths	Total
2016	400	600	1000
2017	540	800	1340



2018	600	1200	1800
2019	700	1600	2300
2020	800	1960	2760

In comparison with the total number of people affected by accidents, we find that there is a big difference, i.e. approximately 10%. Only those who have insurance awareness go to the insurance company to claim compensation, as shown in the Table 3.

Table 3. Comparing the number of injured to the number of claimants for compensation

Year	Total injuries	Total claimants
2016	9,016	1,000
2017	9,388	1,340
2018	10,439	1,800
2019	11,651	2,300
2020	8,383	2,760

3- The realized premiums and compensations of the compulsory insurance department for the inclusion years under study amounts in thousands of dinars as shown in Table 4

Table 4. Comparing the realized premiums with the paid compensation

Year	realized premiums	Compensations paid
2016	8,190,274	7,955,606
2017	7,565,587	9,598,563
2018	8,560,070	9,530,558
2019	9,157,367	6,620,741
2020	9,981,540	7,830,462

According to the Table 4, we find that the company has paid large amounts of compensation that exceeded the amounts of annual revenues achieved during the studied period, however, the small number of individuals claiming compensation.



### Conclusions and recommendations

#### Main conclusions

1. Delay in paying the sums collected from the Ministry of Oil's sales revenues, reduces the chances of paying compensation and investment opportunities.
2. The necessity of checking the sales of the Ministry of Oil with the amount percentages paid to the insurance company.
3. The number of confirmed injuries is only the officially registered in the records of the Ministry of Health and the Interior.
4. Table 3 shows that the number of those who requested compensation does not exceed 10% of the total injured, and this indicates a weak insurance awareness and a weak mechanism and procedures for compensation.
5. Table 4 indicates that the amounts collected by the Ministry of Oil as installments do not cover the compensation amounts required from the company with the small number of claimants. Without the investments, the insurance company would not have been able to pay the compensation.
6. According to conclusion (No. 3), if we assume that the percentage of people claiming compensation reaches (50%) of the people covered by the compensation, the insurance company would not have been able to pay their compensation and therefore it will declare its bankruptcy.
7. the researcher did not find a statistic of the amounts that the insurance company recovered from cases of recourse to the cause of damage.

#### Recommendations

1. The necessity of following up and informing the Ministry of Oil of the speedy payment of installments on a monthly or quarterly basis, and providing a list of the sold quantities.
2. The insurance company should rearrange its financial plans by activating investments at various levels in order to avoid falling into future pitfalls if the compensation amounts increase, the company may reach bankruptcy.
3. By extrapolating the legal paragraphs in the CIL, we find the necessity of re-examining its paragraphs and amending them to ensure serving the public interest by relying on the insurance laws in the world.
4. increasing the insurance awareness with the joint cooperation of all relevant authorities (Ministry of Health, Ministry of Interior, Ministry of Oil, Insurance Company, and Tribal Affairs) and directing the Traffic Directorate to "educate citizens on compensation.
5. The insurance company should facilitate the procedures for paying compensation to the insured and not delay compensation. It should also empower the company's offices in the governorates to complete the compensation procedures because they do not have any powers.
6. The insurance company should re-study the mechanisms and compensation ratios in a way that matches with the size of the amounts received and the amounts of compensation paid.
7. It is necessary to prove the cases of return and the amounts recovered within the reports of the insurance company.



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### Appendix

Category: insurance companies

Issuer: Iraq - Federal



Legislation type: law

Legislation number: 52

Legislation date: 01-01-1981

Validity of the law: in effect

Legislative title: Compulsory Car Accident Insurance Law No. (52) of 1980

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Laws and Regulations | Date: 1980

Based on the provisions of Paragraph (A) of Article 42 of the Constitution, the Revolutionary Command Council decided by its decision No. (375) dated on March 11, 1980, the issuance of the following law:

### Article 1

All cars in the territory of the Republic of Iraq are automatically covered by insurance, in accordance with the provisions of this law, taking into account the provision of Article (11) of the same law.

### Article 2

**First** - The insurer is obligated to compensate for death or physical injury to any person as a result of using the vehicle in the Iraqi territory, regardless of the availability of the fault corner. For the purposes of this law, every vehicle is with an engine that runs on fuel and is capable of traveling on land roads is included in this law. An exception is for those traveling on railways, and it is by virtue of the trailer attached to it.

**Second:** The insurer shall pay the amount of compensation referred to in Paragraph (First) of Article 2, to the effected (right) person in one payment, and it is not valid to divide it in installments or make it a regular income.

**Third:** In the event that a non-Iraqi vehicle enters the Iraqi territory, the compensation shall include, in addition to what is stipulated in Paragraph (First) of Article 2, the damage caused by that vehicle to the money of others, except for the damage intentionally caused by the owner of the funds.

### Article 3

The insured person, for the purposes of this law, means the owner of the car whose name is recorded in the traffic records or the records of other concerned departments, and the person by whose name the car enters the Iraqi territory (1)

### Article 4

**First:** Compulsory insurance premiums are paid automatically through the amount of fuel consumed by the vehicle (fuel sales by the Ministry of Oil). So, the compulsory insurance premiums on vehicles are met at a rate of (0.003) of the total sales amounts of the oil products distribution company (OPDC) of gasoline except for the supplied ones, to the ministry of electricity and the amounts shall be deposited with the company until they are distributed.





**Second:** The distribution of the deposited amounts in the OPDC after deducting its share of half a percent of this amount, at the rate of (50%) to the NIC and (50%) to the general budget of the state and should be paid in quarter premiums.

### Article 5 The provisions related to the article canceled in Article (3)

### Article 6

The insured party may not make or accept any offer regarding compensation for the aggrieved party without the insurer's written consent; any settlement between the insured and the aggrieved party shall not be considered an argument against the insurer if it is made without consent.

### Article 7

**First:** Except in the event of death, the insurer is not obligated to compensate for the following:

- a) The bodily injury to the driver of the vehicle unless it was caused by a vehicle collision or overturning accident.
- b) The bodily injury resulting from the contagious act of the injured person, unless this act resulted from a mental illness in which the victim lost his will.

**Secondly:** Compensation for injury due to a collision, overturning or mental illness specified in (Article 7, Paragraph, First) is not due, except by a final court ruling.

**Third: a)** The insurer may withhold the compensation stipulated in (Article 7, Paragraph, First), when one of the cases of recourse stipulated in Article 8 is realized. Unless the aggrieved party submits a legal guarantee accepted by the competent court.

b) The insurer shall file a claim of recourse within sixty days from the date on which the decision of the special committee for estimating compensation has acquired a final degree.

c) Compensation is paid in one of the following cases:

1. If the insurer does not file the lawsuit within the period stipulated in (Article 7, Paragraph, First, Item b).
2. If a final judgment is issued stating that the insurer is not entitled to recourse.
3. If the aggrieved party submits a legal guarantee accepted by the competent court.
- d) The provision of (Item b, Article 7, Paragraph, First), shall apply to cases of recourse in which no final decision has been issued (4).

### Article 8 Provisions related to Article 8

The insurer may recover the compensation he has paid to the injured party in the following cases:  
**First:** If it is proven that the death, bodily injury, or property damage incurred by a third party arose from an act intentionally committed by the driver of the vehicle, thus, the recourse shall be made against him.

**Secondly.** If death, bodily injury, or property damage arises from an accident resulting from the use of a stolen or usurped vehicle, the recourse shall be made against the thief or usurper.



Third. If the driver does not have a driving license for the type of vehicle he is driving, according to the laws in force, or if his driving license is withdrawn, the recourse shall be jointly with the insured and the driver.

Fourthly. If it appears at the time of the accident that the driver of the vehicle has lost one of the conditions necessary to grant him the driving license stipulated in the Traffic Law, the recourse shall be jointly with the insured and the driver of the vehicle.

Fifth: If it is proven that the driver of the car committed the accident while he was not in his normal condition because of drunkenness or taking drugs, the recourse shall be against him and the insured jointly.

Sixth. If it is proven at the time of the accident that the car entered the territory of the Republic of Iraq illegally, and the recourse is jointly with the owner of the car and its driver, unless it is proven that the driver was not aware, the recourse is limited to the owner of the car.

Seventh: Using the vehicle for a purpose other than what is stated in its registration certificate, the recourse is jointly with the insured and the vehicle driver.

Eighth: a) Accepting passengers, putting more weights on the vehicle than what is prescribed for, or using it in racing or speed tests, the recourse shall be jointly with the insured and the driver of the vehicle.

b) Driving a vehicle in an unusable condition contrary to the conditions of durability and safety stipulated in the applicable laws, the recourse is jointly with the insured and the vehicle driver.

c) In order to achieve the recourse in the above two paragraphs, it is required that there be a causal relationship between the violation and the accident.

Ninth: If it is proven that the death, bodily injury, or damage to property arose due to a grave mistake committed by the driver of the vehicle, the recourse shall be jointly with the insured and the driver.

Tenth: Canceled in article (5)

### Article 9 Provisions related to Article 9

**First:** The insured is obligated to compensate for death or bodily injury arising from the use of an unidentified vehicle, provided that the accident is registered in the police departments within seven days from the date of its occurrence or knowledge of it. Moreover, this should be supported by an official report proving that the bodily injury or death resulted from the use of the vehicle.

**Second:** The right to claim compensation in accordance with this article shall be forfeit if the aggrieved party does not inform the insured within a period of thirty days from the date of his knowledge of the accident. Furthermore, in all cases the period shall not exceed one year from the date of the accident.

**Third:** The effected person is not entitled to compensation under (article 9), unless a final court ruling is issued.

**Fourth:** In the event that the vehicle is known, the insured may refer to the driver of the vehicle to recover the compensation the insured paid to the injured party, unless the driver proves that he was not aware of the occurrence of the accident.