Insurance Briefing Special Edition

Secondary Legislation on Mandatory Insurance Coverage Against Natural Disasters

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A. Introduction

1. Recently introduced Joint Ministerial Decisions No. 96806[1] and 94798[2] have provided significant clarifications on the provisions of Law 5162/2024 as amended by Law 5116/2024 (the **Law**), which entered into force on 1 June 2025[3], regarding mandatory insurance coverage against specific natural disasters for large companies with an annual gross revenue of over €500k in the previous tax year[4] as well as for vehicles[5].

B. Insurance Against Natural Disasters for Companies

1. By virtue of Joint Ministerial Decision No. 96806[6], insurance companies are now obliged to respond to requests from companies for insurance against natural disasters within 30 days of receiving such a request, either positively or negatively. If a request remains unanswered within 30 days, it is deemed rejected.

[1] Government Gazette B' 2810/05.06.2025
[2] Government Gazette B' 2706/02.06.2025
[3] Articles 25, 26 and 136 par. 10 Law 5162/2024
[4] Article 25 Law 5162/2024
[5] Article 26 Law 5162/2024
[6] Article 2 Joint Ministerial Decision No. 96806

2. Joint Ministerial Decision No. 96806[7] exempts the following from taking out mandatory insurance coverage:
   a. public sector entities and the Public Real Estate Company SA;
   b. constructions built without a permit which are excluded from State aid;
   c. ships, trains, aircraft and all means of transportation classified as equipment;
   d. all types of aerial, underground and underwater infrastructure, including mines;
   e. agricultural crops, plant production, aquaculture and livestock; and
   f. newly established companies that have not yet published financial statements.
3. A two-year exemption also applies to companies that have received two negative responses to insurance requests from two different insurance companies. After two years, these companies are required to reapply for insurance and if they receive two negative responses again, they are permanently exempt from taking out insurance against natural disasters.
4. In the event that the refusal of coverage affects only certain risks or assets, and partial insurance coverage is taken out, the exemption is limited to the risks or assets which are refused coverage.
5. Where uninsurable assets exceed 30% of the company's total assets, the insurance obligation applies only to the insurable portion.

C. Penalties for Non-Compliant Companies

1. The Law[8] provides for an administrative fine of €10k for failure to comply with the obligation to take out compulsory insurance coverage against natural disasters.
2. Companies must comply within 30 days of receiving the fine. Failure to do so results in the imposition of a fine of €20k.
3. The Law[9] also provides that obligated companies are exempted from receiving State aid, including housing assistance[10], for material damage to the assets listed in the Law[11] caused by forest fires, floods and earthquakes occurring from 1 June 2025.

D. Insurance Against Natural Disasters for Vehicles

1. Insurance coverage against forest fires and floods is compulsory for motor vehicles[12].
2. The obligation is imposed on the owners or holders of motor vehicles usually parked within Greece and the basis for the insurance coverage is the current market value of the vehicle.
3. The vehicle's chassis number (VIN), as published on the 'Open Data Vehicles' digital service, may

[7] Article 3 Joint Ministerial Decision No. 96806
[8] Article 5, par. 3 Law 5116/2024
[9] Article 5, par. 4 Law 5116/2024
[10] Article 5 Joint Ministerial Decision No. 96806
[11] Article 5, par. 2 Law 5116/2024
[12] Article 5A par. 1 Law 5116/2024

be used to calculate its current market value[13].

4. The insurance obligation regarding motor vehicles is not applicable to[14]:
   a. public vehicles[15];
   b. freight motor vehicles; and
   c. professional-use vehicles which belong to companies with an annual gross revenue of over €500k in the previous tax year, provided that these vehicles are insured:
      i. for 100% of their current market value; and
      ii. this value is included within the 70% of the value of the insurable assets of the company[16].

E. Penalties for Non-Compliant Vehicles

1. Persons under the obligation to take out insurance against forest fires and floods are exempted from receiving State aid for uninsured motor vehicles which have been damaged in forest fires or floods from 1 June 2025[17].

[13] Article 3 Joint Ministerial Decision No. 94798
[14] Article 2 Joint Ministerial Decision No. 94798
[15] Article 5A, par. 2 Law 5116/2024
[16] Article 5, par. 2 Law 5116/2024
[17] Article 4 Joint Ministerial Decision No. 94798

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