KYRIAKIDES GEORGOPOULOS LAW FIRM



INSURANCE

Update on Mandatory Insurance for Vehicles and Businesses

July 31, 2025

INSURANCE

Update on Mandatory Insurance for Vehicles and Businesses

BY KONSTANTINOS ISSAIAS, ZAPHIRENIA THEODORAKI, VASILIANNA KARAKATSANI

In June 2025, two Ministerial Decisions, no. 94798 and no. 96806, were issued, addressing implementation matters related to mandatory insurance.

These decisions provide guidance on the newly introduced mandatory insurance coverage against natural disasters. A detailed analysis of the legal framework is available in our previous newsletter, which you can access here.

Ministerial Decision no. 94798 (Gov. Gazette 2706/B/02.06.2025)

This Decision outlines the implementation details for **article 5A of Law 5116/2024 regarding the mandatory insurance of vehicles against natural disasters.** The key points to consider are the following:

- ✓ The insurance obligation which applies to owners or holders of a vehicle, shall take effect as of June 1st, 2025, regardless of the existence of any other insurance contract—whether legally mandatory or optional—covering the vehicle.
- ✓ Owners or holders of vehicles that have been subject under administrative immobilization are required to insure such vehicles solely against the risks of forest fire and flood.
- ✓ The above insurance obligation does not apply to freight vehicles and professional-use vehicles owned by businesses with annual gross revenue exceeding €500,000 during the preceding fiscal year, provided that these vehicles are already insured in accordance with the provisions of the laws on mandatory insurance for 100% of their current market value, and this value is included within the 70% of the total insured property value of the business.
- ✓ For the purpose of determining the current market value of vehicles, the vehicle identification number may also be used, as registered in the public digital service "Open Data Vehicles".
- ✓ Failure to comply with the above-mentioned obligation, shall result in the exclusion of vehicle owners or holders from any state aid in cases involving risks related to forest fire or flooding.

Ministerial Decision no. 96806 (Gov. Gazette 2810/B/05.06.2025)

This Decision outlines the implementation details for **article 5 of Law 5116/2024 on mandatory insurance of businesses against natural disasters.**

The Ministerial Decision intends, among others , to regulate the implementation of article 5 of Law 5116/2024, which applies for businesses with gross revenue exceeding the amount of €500,000 annually. The key points to consider are the following:

- ✓ Insurance companies operating in Greece are obliged to respond, within 30 days from

receipt of the relevant application, by any appropriate means, either positively or negatively, to insurance requests submitted by businesses falling within the scope of this regulation. If the aforementioned deadline passes without a response, it is considered that a negative reply has been given;

- ✓ Insurance companies are obliged to submit all information required by the Interagency Market Control Unit (DIMEA by its Greek initials) for the purpose of identifying violations of the above insurance obligation;

- ✓ The following are exempt from the above insurance obligation:
  (a) Public sector entities[1]as well as the Hellenic Public Properties Company S.A;
  (b) Unauthorized constructions that are excluded from state aid;
  (c) Ships, trains, aircraft, and all types of transportation means classified as equipment;
  (d) All forms of aerial, underground, and underwater infrastructure, including mines;
  (e) Agricultural crops, plant production, aquaculture, and livestock;
  (f) Newly established businesses that have not yet published financial statements; and
  (g) Businesses that have received at least two (2) negative responses to insurance requests from different insurance companies. This exemption applies for two (2) years. After the lapse of this period, the business is required to reapply for insurance. If it receives two (2) negative responses again, it is permanently exempt from the insurance obligation of paragraph 1, Article 5 of Law 5116/2024, without the need for any further action on its part.

- ✓ A fine shall be imposed by Interagency Market Control Unit (DIMEA) on businesses that fail to comply with the insurance requirements. If the obligation is not met, an administrative fine of €10,000 shall be imposed on the business; in the event of non-payment within thirty (30) days the fine will be doubled.

Remarks

The recent Ministerial Decisions mark a step forward in Greece's regulatory landscape against natural disasters. Businesses and vehicle owners falling within the scope of Law 5116/2024 should take prompt action to ensure compliance and avoid penalties.

Access the full text of the Ministerial Decisions here:
https://search.et.gr/el/fek/?fekId=782108
https://search.et.gr/el/fek/?fekId=782265

[1] as those are defined in point (a) of paragraph 1 of Article 14 of Law 4270/2014 (Government Gazette A' 143).

Contact Us



KONSTANTINOS ISSAIAS
PARTNER

k.issaias@kglawfirm.gr

Follow Us

ATHENS OFFICE

28, Dimitriou Soutsou Str.,
115 21 Athens

T +30 210 817 1500
E kg.law@kglawfirm.gr

THESSALONIKI OFFICE

31, Politechniou Str.,
551 34 Thessaloniki

T +30 2310 441 552
E kg.law@kglawfirm.gr

www.kglawfirm.gr

Disclaimer: This newsletter contains general information only and is not intended to provide specific legal, or other professional advice or services, nor is it suitable for such professional advice, and should not be used as a basis for any decision or action that may affect you or your business. Before making any decision or taking any action that may affect you or your business, you should consult a qualified professional advisor. We remain at your disposal should you require any further information or clarification in this regard.

©Kyriakides Georgopoulos, 2025