

Review of Motor Insurance Directive

**EIOPA Seminar
Recovery and Resolution in
Insurance
25-26 October 2018**

Disclaimer:

**The views expressed are those of the
author and do not necessarily reflect
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Context

- *Third Party Liability Motor Insurance regulated at EU level since 1972.*
- *Main objectives are:*
 - 1) protection of victims of traffic accidents**
 - 2) to ensure the free movement of persons and vehicles**
- *Based on the international Green Card System under the auspices of the United Nations Economic Commission for Europe.*
- *Four amendments since 1972 and a codification in 2009 (Directive 2009/103/EC).*



Context (2)

- *Evaluation of the Motor Insurance Directive in 2017/18*
- *Consumer Financial Services Action Plan (March 2017):*
Two actions on Motor Insurance:
 - **Portability of claims history statements**
 - **Compensation of injured parties in case of insolvency of the insurer**
- *ECJ case law on the scope of the Directive*
- *Insolvencies of cross-border motor insurers*



4 main topics of the proposal

1. *Insolvency of motor insurer*
 2. *Harmonisation of minimum amounts of cover within the EU*
 3. *Unobtrusive checks on uninsured driving*
 4. *Portability of claims history statements*
- *Also codification of CJEU court rulings on the scope of the Directive (not changing the current scope as interpreted by CJEU)*





1. Insolvency of a motor insurer

- *Insolvency is currently not addressed by the Directive*
- *Voluntary agreements under the Council of Bureaux are incomplete.*
- *Problem exposed due to recent failures of insurers selling policies cross-border.*



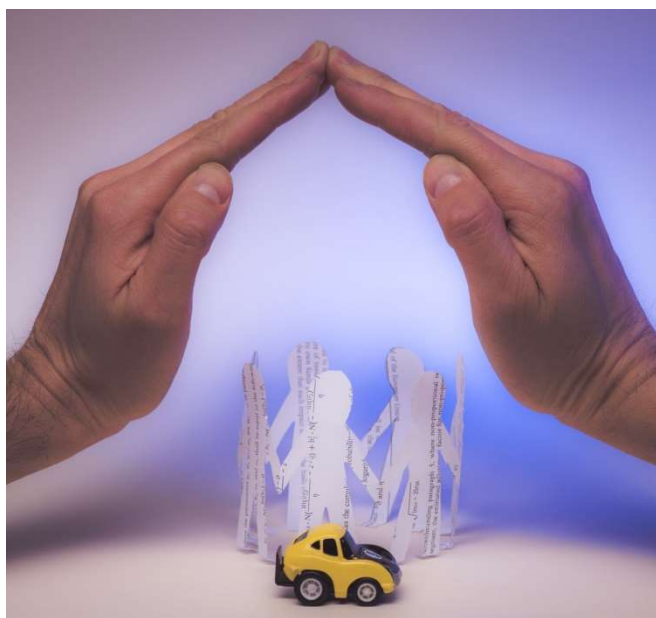


Insolvency - What do we propose?

- **Objective:**
 - **Mandate an orderly process in case of insolvency with clear rules and responsibilities**
- **Main principle:**
 - **Initial payment of victim:** *compensation body of residence of the victim*
 - **Recourse against the compensation body of the MS of the insolvent insurer**
- **How:** *New article 10a)*
 - **3 triggers for compensation mechanism:**
 - A) Insurer is subject to bankruptcy proceedings
 - B) Insurer is subject to a winding up procedure
 - C) Lack of a reasoned reply within three months after the claim
 - **Delegated act to define the procedural tasks and obligations**



Thank you for your attention!



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