

Motor Insurers' Information Centre (MIIC) is a division of Motor Insurers' Bureau

The fifth EU Motor Insurance Directive

What is the Directive?

Unlike the 4th Directive, the draft 5th EU Directive on Motor Insurance does not have a single aim; it covers a range of topics, some of which might have an impact within the UK, but most of which will not.

This note does not list all the individual provisions – this is simply a quick guide to the elements that may be relevant to the work of the MIIC.

Timing of the Directive

The Directive was adopted on 11 May 2005 and came into force on 11 June 2005. Member States have 24 months (i.e. until 11 June 2007) in which to implement its provisions.

Key provisions in the Directive and the impact on MIIC/MID

Provision	MIIC impact
Compensation for victims where vehicles have false or no registration plates	In the event of an accident where a vehicle cannot be identified by its registration plate, MIIC may not be able to identify a liable insurer. In such case the guarantee fund in the country of the accident will meet the claim – if the accident is in the UK, this will be the MIB.
Compensation for victims where the vehicle was not required to be conventionally insured	Some vehicles are exempt from the normal third party insurance requirement. Where the liability on these vehicles is accepted by a particular body, the UK Regulations require those vehicles to be traceable through MIIC. Where this is not possible the compensation body (MIB) must meet any claim. This is already the case in the UK.
Increased minimum legal cover for third party personal injury and property damage insurance	No impact on MIIC. The UK already has unlimited liability for PI but will need to introduce a higher limit for TPPD.
Claims to be allowed for property damage in cases of unidentified vehicles causing significant personal injury	No impact on MIIC. This applies to cases where no registration number has been supplied, so no MID search would be carried out.

Motor Insurers' Information Centre (MIIC) is a division of Motor Insurers' Bureau

Provision	MIIC impact
Removal of the “excess” for property damage caused by uninsured vehicles	This provision – which was opposed by the UK insurance industry – would allow claimants suffering minor property damage to seek full compensation. Whilst significant for MIB, this is unlikely to have an impact on MIIC, since all such claims are probably checked against MID at present anyway.
Liability towards pedestrians and cyclists	This provision is intended to ensure that pedestrians and cyclists always have a right to <u>seek</u> compensation in the event of an accident, but does not guarantee it, if, for example they are wholly liable themselves. This is the current situation in the UK and therefore will have no impact.
Insurance for stays abroad	This provision clarifies the fact that insurance for extended stays abroad is available under a normal domestic policy, as long as the vehicle is not “normally based” abroad. This is the current situation in the UK and therefore will have no impact.
Insurance cover for imported vehicles	This provision will allow UK motorists to buy short-term cover for new vehicles being imported from other Member States from their own insurer, pending re-registration. The period of cover can be up to 30 days. The MID is already capable of handling non-UK vehicles in anticipation of such a provision. However, the DfT is seeking clarification from the Commission on whether such vehicles would need to be notified to the country from which the vehicle is being exported, or to the importing country. Further advice will be provided in due course.
Right to ask for a statement of claims experience	This provision will allow policyholders to ask insurers for a statement of claims when moving to another insurer – including in another country. There will be no impact on MIIC, since this is a matter for insurers.
Direct right of action against insurers for domestic victims	This extends the provision in the 4 th Directive, which applied to “visiting victims”. However, this has already been implemented in the UK, so the situation will be unchanged.
Role of information centres	Information centres set up under the 4 th Directive will be obliged to provide insurer information to domestic as well as foreign claimants. This is already the case in the UK, so the position of MIIC remains unaffected.