

COB's competences related to frontier insurance

Since the 2011 General Assembly, the responsibility and liability of the secretarial services for frontier insurance and all matters in this respect lie with COB, after concluding a transfer agreement with CEA (now Insurance Europe).

Frontier insurance in non – EEA countries

Frontier insurance in non-EEA countries is regulated by each country's national law.

Frontier insurance issued by a non-EEA Bureau or a non-EEA insurer is only valid for their territory. A frontier insurance issued by a non-EEA Bureau or insurer which covers for another territory will be deemed as invalid.

The minimum and maximum duration of frontier insurance issued in a non-EEA country is subject to national law.

Frontier insurance issued by a non- EEA Bureau or a non-EEA insurer cannot be accompanied by a Green Card, nor can it be a Green Card designated to be frontier insurance.

Frontier insurance in EEA countries and Switzerland

The legal framework for frontier insurance in EEA countries and Switzerland stems from Article 7 and 8 of the Codified Motor Insurance Directive (Directive 2009/103/EC of the European Parliament and the Council of 16 September 2009 – Codified version).

Frontier insurance issued to vehicles registered in third countries upon entrance in any of the EEA countries or Switzerland should cover the whole territory of the EEA and Switzerland.

Frontier insurance can be issued for a minimum period of 15 days and for a maximum period of 1 year. This time limitation is introduced in order to ensure that the frontier insurance policy cannot exceed the maximum period of validity of Green Cards of 1 year.

Frontier insurance policies should be accompanied by a Green Card or can be a standalone document which corresponds to the model of the Green Card serving as MTPL but which is clearly stated to be issued for the purpose of frontier insurance.

The Working Group notes that there is currently no harmonisation with regard to the model of frontier insurance. The Membership is invited to take the necessary steps towards the harmonisation of the model of frontier insurance by approximating it to the format of a Green Card, but in a way that is clearly designated to be frontier insurance.

Rules for issuing frontier insurance (EEA and Switzerland)

The Working Group strongly recommends the membership, with special attention to EEA countries and Switzerland, to issue frontier insurance to third country registered vehicles only when they cross the border of the country which issues the frontier insurance.

The Working Group strongly recommends the membership to not issue frontier insurance in PDF format.

Claims handling and guarantees related to frontier insurance

Frontier insurance should benefit from the existing infrastructure and guarantees of the Green Card system, in accordance with a common decision of CEA (now Insurance Europe) and COB dated 1996. Therefore, the frontier insurance system should rely on the same procedures for claims handling and the guarantees provided upon the existence of a Green Card or deemed insurance cover. The provisions of the Internal Regulations will therefore apply *mutatis mutandis* to frontier insurance.

However, this extension of guarantees should only apply to frontier insurance issued for the territory of EEA countries and Switzerland, whereby frontier insurance is issued together with a Green Card, or where a Green Card is issued solely for the purpose of frontier insurance.

The Working Group invites the membership to consider the situation as follows:

- Comparable to the Green Card system, a frontier insurance claim should be subject to confirmation of cover by the insurer which issued it, and the claim should be handled by the correspondent of the latter, if applicable. Should there be a confirmation of cover, but no correspondent is appointed, or the correspondent or insurer are not able to properly handle the claim, then the Green Card Bureau of the country of accident will handle the claim with a right of recourse.
- In case there is no insurance cover, the third country registered vehicle will be considered as uninsured, and the Guarantee Fund of the country of accident will be responsible for the claim.
- In cases where the frontier insurance is issued by the Green Card Bureaux, the system of correspondents does not apply.

The Frontier Insurance Working Group will continue analysing further questions regarding the functioning of the frontier insurance system. If applicable, the Members will be informed of any findings and recommendations via COB Circular.