

<b>Fact sheet for PRESS RELEASE</b>
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## The Green Card System is 60 years old!



***The international compensation system of victims of road traffic accidents is celebrating its 60<sup>th</sup> Anniversary. The Green Card System facilitates the flow of cross border road traffic in Europe and guarantees the compensation of domestic victims of accidents caused by foreign motorists.***

Every year, more than 500,000 accidents occur in Europe between motorists originating from different countries of the Green Card System.

If you have an accident in your home country, which was caused by a vehicle registered abroad, you can settle your claim via the Green Card System. You can address your claim to your national Motor Insurers' Bureau which will settle the claim according to your national legislation. In turn, it will exercise its recourse right against the insurer of the liable motorist.

The **Green Card System was founded in 1949** on the basis of **Recommendation No.5** adopted by the Working Party on Road Transport of the Inland Transport Committee of the **United Nations** (Economic Commission for Europe).

### **A system encompassing 45 countries!**

Today the Green Card System has **45 members** which are mainly all European countries as well as some countries bordering the Mediterranean Sea and Iran, for historical reasons. Russia has recently joined the Green Card System.

### **The Green Card System, a cross border facilitator**

Thanks to the Green Card System, any motorist driving a vehicle registered in one of these 45 countries is released from the obligation of taking out a national insurance contract at the border if s/he possesses an **international certificate of insurance**: the **Green Card**. This certificate represents insurance covering all liabilities against which insurance is compulsory in the country visited, which could be incurred in that country by the motorist for injury or damage to third parties. The Green Card is accepted without any other formality or cost, as evidence of insurance complying with the compulsory insurance law of the authorities of the country visited.

The issuing of the Green Card has been entrusted by Recommendation N°5 to a **government recognised central organisation** and established, in each member country, by the insurers: the **Motor Insurers' Bureau**. However, its distribution among policyholders is entrusted to insurers.

### **Facilitating claims settlement**

Besides facilitating the crossing of borders, the Green Card System also organises the settlement of claims. The Motor Insurers' Bureau of the country visited is entrusted with the protection of parties being injured by vehicles which are the subject of a Green Card. This Bureau is then authorised, on the basis of the authorisation given to them by the Bureau which issued the Green Card, "to accept service of legal proceedings in respect of any claim". The Bureau can also deal with and settle the claim for the account of the Bureau which provided it. When dealing with a claim, it will take into account the conditions of the insurance policy to the extent that it is compatible with the country's compulsory insurance law. The compensation paid, along with the expenses and fees agreed will be fully reimbursed to the Bureau. To this effect, the governments of those countries which are members of the Green Card System have undertaken not to obstruct the transfer of necessary currency for the settlement of the debts incurred for the handling of claims.

The activities of the individual Motors Insurers' Bureaux are coordinated by the **Council of Bureaux**, which is located in Brussels. The Council of Bureaux is a non-political, technical body and is the managing organisation for the Green Card System.

### **Development of the Green Card System**

With the increase of international road traffic, it became apparent that border controls to check whether a motorist had a valid Green Card was too time consuming and created possible obstacles to the free movement of persons and goods, especially within the framework of the Single Market. For this reason, the Member States of the European Union, Andorra, Croatia, Norway, Iceland, Switzerland and Liechtenstein agreed that valid registration plates from those countries substitute the Green Card as sufficient proof of insurance coverage. Consequently for motorists from those 32 countries, the Green Card is no longer a required document when crossing the borders. In all other countries, the Green Card still serves as the international insurance certificate.

### **The Consolidated Resolution on the Facilitation of International Road Transport**

Recommendation No. 5 adopted 60 years ago no longer exists as such. Its content now appears in Annex 1 of the Consolidated Resolution on the Facilitation of International Road Transport adopted in 2004 by the UN Road Transport Committee. Nevertheless with a few exceptions, all the basic principles written in Recommendation No.5 remain applicable.

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