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**ECONOMIC COMMISSION FOR EUROPE**

**INLAND TRANSPORT COMMITTEE**

Working Party on Road Transport

One-hundred-and-fourth session

Geneva, 19-21 October 2009

Item 6 (c) (i) of the provisional agenda

**HARMONIZATION OF REQUIREMENTS CONCERNING INTERNATIONAL ROAD  
TRANSPORT AND FACILITATION OF ITS OPERATION**

Review of questions concerning the facilitation of international road transport

International motor insurance system (Green Card)

Report of the President of the Council of Bureaux

1. The present document is submitted in accordance with the Programme of Work for 2008-2012 of the Inland Transport Committee (ECE/TRANS/2008/11, Item 02.2.2 (e)) which calls for the Consideration of questions concerning the Green Card International Motor Insurance System.
2. This year, the 43rd General Assembly of the Council of Bureaux (CoB) was held on 28 and 29 May 2009 in Seville, Spain. The main issues addressed over the last twelve months are presented below.
3. The Green Card System is celebrating its 60th Anniversary this year: Recommendation No.5, adopted on 25 January 1949 by the Working Party on Road Transport of the Inland

Transport Committee of the United Nations Economic Commission for Europe (UNECE), is considered the starting point of the Green Card System.

4. It has therefore been sixty years since the basic principles of the system were adopted to facilitate cross border traffic and claims compensation. Since then the Council of Bureaux has acted as a road traffic facilitator by providing the infrastructure for international motor third party liability claims handling.

### **I. Recommendations regarding Correspondents**

5. Correspondents play an important role in the Green Card System since they handle claims to compensate victims of road traffic accidents on behalf of the foreign insurer and in the name of the Motor Insurance Bureau concerned.

6. The 43rd General Assembly agreed on the use of 3 documents which were developed over the course of the year by a Working Group following some consultations with the Membership and related parties (CEA/ the European insurance and reinsurance federation & Claims Handling Agencies), namely a model for a Correspondents' Charter, a Handling and Paying Model Agreement and Rules on Outsourcing.

7. These documents can be used, voluntarily modified and adapted in accordance with each Motor Insurance Bureau's own situation. They aim to have a better understanding of the system and to facilitate the relationship between Motor Insurance Bureaux and correspondents.

### **II. Review of the Explanatory Memorandum**

8. The Explanatory Memorandum, which encompasses the decisions taken by the General Assembly and gives the interpretation of the Internal Regulations, is a key document for the Green Card System. This document is currently being redrafted to increase its transparency and readability which were both altered by the successive adding of new decisions adopted throughout the years. This exercise is expected to be accomplished by the end of 2010.

### **III. Financial Stability**

9. The Council of Bureaux has a well-established monitoring system of its new Members but has not yet put in place means to assess the financial situation of the whole Green Card system and of its membership. Hence, the financial stability of the Green Card System will remain the focus of continued effort by the Council of Bureaux to ensure that large or catastrophic claims will be met by all Motor Insurance Bureaux. This work, which is aimed at strengthening the financial basis of the system, will continue over the coming year.

10. A new questionnaire on financial stability covering additional aspects not dealt with by the first questionnaire will be launched during the course of autumn 2009. The aim of the Working Group on Financial Stability which is working on the matter is to thoroughly analyse the replies, to report the outcome and to propose recommendations to the 44th General Assembly in 2010 after having discussed the findings with the Management Committee.

#### **IV. Data Protection**

11. Although, swift claims handling requires a smooth transfer of data on a daily basis, the victim's integrity and personal rights have to be fully ensured.

12. The Council of Bureaux started some work with the help of an Ad Hoc Working Group to enhance data protection within the Green Card System. A report on the matter is expected to be presented during the 44th General Assembly in 2010.

#### **V. Membership Issues**

##### **A. Russia**

13. The Russian Association of Motor Insurers (RAMI) was welcomed as the 45th Member of the Green Card System as from 1 January 2009. Following its recent accession to the system as a transitional member, RAMI is currently being monitored by the Monitoring Committee before being granted the status of full member once the related conditions would be fulfilled.

##### **B. Serbia**

14. The 43rd General Assembly decided to terminate the monitoring period of the Serbian Motor Insurers Bureau with effect from 1 October 2008 with the recommendation to the Bureau to continue with their reinsurance programme.

##### **C. Georgia**

15. The Georgian Motor Insurers Bureau has contacted the Council of Bureaux in light of its possible admission to the Green Card System since Georgia falls within the geographical scope of the Green Card System. This application and all related documents (national MTPL law, etc.) are being reviewed by the Application Committee.

##### **D. White Card System - Economic Cooperation Organization (ECO)**

16. ECO is a ten-member organisation comprising Afghanistan, Azerbaijan, Iran (Islamic Republic of), Kazakhstan, Kyrgyz Republic, Pakistan, Tajikistan, Turkey, Turkmenistan, and Uzbekistan, out of which two members are also members of the Council of Bureaux (Iran & Turkey). ECO has adopted initiatives to set up a regional motor vehicle third party liability scheme (known as the White Card System with a Secretariat in Teheran).

17. ECO contacted the Council of Bureaux in June 2008 and asked for possible collaboration. The Management Committee discussed the matter and felt that most of the ECO countries were outside the geographical scope of the Green Card system.

18. In light of the decision taken by the 1996 General Assembly in Casablanca, the membership to the Council of Bureaux is limited to European countries west of the Ural Mountains (Georgia), the Caspian Sea, Armenia and Azerbaijan, and to the non-European countries bordering the Mediterranean Sea (Algeria, Egypt, Lebanon, Libya and Syria). Although possible cooperation could be envisaged in the future, it would be difficult for ECO countries to enter into the Green Card system.

19. It was therefore decided to suggest to ECO to have a meeting at the Secretariat of the Council of Bureaux to take up initial contact, to inform them about the Green Card system and to identify their needs in terms of cooperation.

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