



# ASEAN Council of Bureaux (COB) Workshop on Cross-border Insurance of Motor Vehicles

Jointly organized by ECA, ECE, ECLAC, ESCAP and ESCWA

19 Oct 2022

Implementation of Protocol 5:  
ASEAN Scheme of Compulsory Motor Vehicle Insurance

The ASEAN Framework Agreement on Facilitation of Goods in Transit : AFAFGIT





# ASEAN – 10 countries

1. Brunei
2. Cambodia
3. Indonesia
4. Lao PDR
5. Malaysia
6. Myanmar
7. Philippines
8. Singapore
9. Thailand
10. Vietnam





# Implementation today

## The current solution

1. Insurance policies are not recognised for use in most other countries
2. We still need to buy 3<sup>rd</sup> Party Liability Insurance for motor vehicles for each transit and destination country along the way
3. A common website <https://www.aseancob.org/>
4. The blue card shows evidence of compulsory motor insurance through all the transit and destination countries



# Transit Transport Vehicles Cross Border Motor Insurance Guide



**Blue Card** is the document evidencing the existence of a compulsory motor vehicle insurance policy issued by ASEAN compulsory motor insurance system in accordance with provision of the protocol of AFAFGIT.



### Insurance Policy

The contractual document (Third party liability) issued by the insurer to an insured to cover death, bodily injuries and/or property damages arising out of a road transit transport vehicle

## 5C Steps to purchase insurance policy before crossing the border





## Prepare Documents Before Purchasing Insurance



ID card / Passport Document  
(Vehicle Owner,  
Driver's Details)



Vehicle registration  
Document  
(Vehicle's Details)

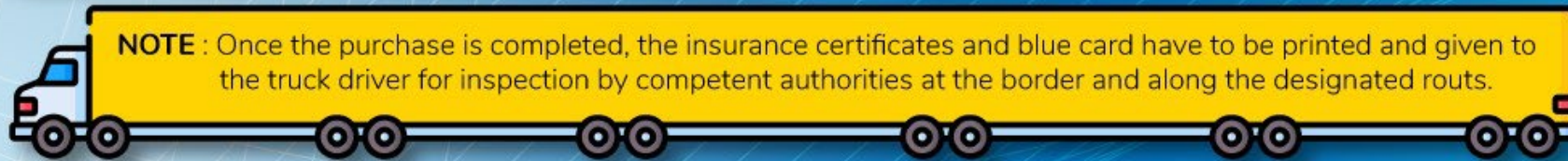
## How to use Insurance Policy and Blue Card



Print Insurance Policy  
and Blue Card



Keep insurance policy  
and blue card in vehicle  
for verification at the border.



## What To Do When Accident Occurs

### Contact National Bureau or the insurer



in the host country  
to notify the accident  
(Contact detail is  
provided on the blue card)

### Take the victim(s) to the hospital



Take the injured person(s) to  
the nearest hospital.

### Prepare claim documents



(Compensation limit and  
conditions vary based on  
host country's policy)

### File a claim with the insurer



(See the claim guidance  
note on the policy)



## Issues and challenges faced

- Minimum compulsory insurance cover is different across the countries. No minimum standard for all.
- Very limited mutual recognition of insurance
  - Malaysia x Brunei
  - Malaysia x Singapore
  - Different income levels result in Malaysian insurers paying far higher claims for accidents involving Brunei and Singapore vehicles
- Most countries only allow the use of insurance from the insurers licensed by them locally



# Issues and challenges faced

- Different compensation frameworks
  - Mix of no-fault compensation systems and fault-based liability
  - Limits of liability: from ~US\$3,000 to unlimited, reflecting very different income levels in different countries
  - Limitation periods: 6 months to 6 years
- Blue card
  - Not used by border authorities as evidence of insurance
  - Not linked to the border authorities' transport monitoring system



## **Possible solutions**

- Mutual recognition of insurance between the countries – insurance regulatory changes needed
- Agree common minimum standards for compulsory insurance across countries
- Insurance records must be integrated to the border authorities' common database for transport monitoring, and accepted as evidence of insurance for that vehicle





**Thank you**

