

INSURANCE EUROPE KEY CONSIDERATIONS ON SIMPLIFYING THE TRANSFER OF VEHICLES REGISTERED IN ANOTHER MEMBER STATE

The European motor insurance sector welcomes the European Commission's aim to improve the functioning of the single market through the elimination of administrative barriers related to the re-registration procedure of motor vehicles.

However, Insurance Europe believes it is important to ensure that current efforts to combat uninsured driving and improve road safety within the EU are not undermined. As such Insurance Europe would like to underline that:

- existing registration systems designed to combat uninsured driving should not be weakened;
- the legal timeframe for re-registration of vehicles should not exceed 3 months;
- failure to re-register a vehicle within the timeframe should be penalised;
- vehicles should not be used on the public roads pending appeal of refusal for re-registration; and
- communication between registration authorities of Member States should be encouraged.

Existing registration systems designed to combat uninsured driving should not be weakened (Article 5(1) and Article 6(3))

- Several EU member states operate registration systems that require proof of valid motor third party liability (MTPL) insurance as pre-requisite for vehicle registration.
- Article 5(1) should permit registration authorities to refuse requests for re-registration where there is no proof of insurance if this is the practice for national registrations. Permitting member states to apply an insurance precondition also to vehicles arriving from another member state ensures consistency in the treatment of all vehicles, and is both appropriate and proportionate in avoiding an increase of uninsured drivers on the public roads.
- Similarly, Insurance Europe believes lack of insurance should be listed as one of the grounds for refusal of an application for re-registration following expiry of a temporary registration certificate in Article 6(3).

The legal timeframe for re-registration of vehicles should not exceed 3 months (Article 4(1))

- Transferred vehicles from one member state to another fall outside the remit of any registration authority during the initial period for re-registration. This is because the registration certificate holder's address is no longer in the member state of registration of the vehicle, yet the registration authority of the member state of the new domicile is not aware that the vehicle in question is being used on the public roads until an application for re-registration is made.
- A period for re-registration exceeding 3 months would risk permitting uninsured vehicles to be used on public roads. The period for making a request should be shortened to a maximum of 3 months to minimise risk of uninsured driving.
- A period of re-registration exceeding 3 months will in turn have a negative impact on:
 - road safety for all road users; and
 - honest motorists who comply with EU-wide requirements to have MTPL insurance and who, as a result, contribute to the financing of claims arising from the use of uninsured vehicles.

- Additionally, a long period for re-registration negatively affects the responsibility and liability between the various compensation bodies, guarantee funds or information centres set up in member states in accordance with the Codified EU Motor Insurance Directive (EU Directive 2009/103/EC).
- It should be noted that several countries, including Sweden, Poland, Denmark, Cyprus, and Germany currently require re-registration of a vehicle within a shorter period than six months. In these countries, the impact of long re-registration periods could be a significant deterioration of road safety.

Failure to re-register a vehicle within the timeframe should be penalised (Article 4)

- In the absence of any consequences for failure to timely re-register a vehicle, there is no incentive to do so. Insurance Europe thus believes that it is essential to mandate penalties for this inaction.

Vehicles should not be used on the public roads pending appeal of refusal (Article 5.2)

- In the absence of clarity as to the continued use of a vehicle which has been refused an application for re-registration, there is a risk that such vehicles will continue to be used on public roads despite the high likelihood that they pose an increased risk to public road users.
- In order to minimise the negative impact that vehicles refused for re-registration may have on road safety in the period pending review of the initial refusal, Insurance Europe believes it is preferable to:
 - avoid allowing those vehicles to circulate on public roads; and
 - keep the length of the appeal procedure to a minimum.

Communication between registration authorities of Member States should be encouraged

- There is currently no communication between the registration authorities of two Member States when a vehicle registered in one Member State is sold to a new owner from another Member State. This lack of communication could allow the new owner to use the purchased vehicle with the registration plate from the Member State of origin without re-registering it in the other Member State. Automatic exchange of information relating to registration of vehicles, for example through the EUCARIS system, would help registration authorities to take action against vehicle owners that avoid obligations such as registration/circulation taxes, insurance cover and roadworthiness test. This will also help to reduce the risk of uninsured vehicles on European roads.

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