

Response to public consultation on REFIT Review of Directive 2009/103/EC on motor insurance

The Motor Insurance Directive already contributes to a high level of consumer and victim protection. Nevertheless, we welcome that the European Commission reviews this directive with a closer look at technological developments and some differences between member states.

Protection of injured parties when a motor insurer is insolvent

The Solvency II regime has a preventive approach and offers a high level of policyholder and victim protection. Next to that, in case of a failure the insured still receive damage compensations but at a reduced level. Despite the conservative nature of the Solvency II directive, a failure of an insurer cannot always be avoided. In that unlikely event it is relevant that insolvencies are not covered under the Motor Insurance Directive (MID). Regarding the protection of victims when a motor third-party liability insurer is insolvent there is no harmonisation between member states. In some member states, such as the Netherlands, guarantee funds cover not only unidentified motor vehicles but insolvencies as well.

The best solution to ensure compensation for accident victims and a level playing field for insurers is introduction of the coverage of insolvencies of motor third-party liability insurers via national motor guarantee funds (or compensation schemes) under the MID. The victim should be able to seek compensation for his personal damages from the guarantee fund in the member state of his residence, in which case this fund should have a recourse towards the fund of the member state where the insurer has its head office.

Portability of claims history statements

Dutch insurers use a very well-functioning system, called Roy-data, for the exchange of data about the claims history of each vehicle and the main driver.

It is a common practice for insurers to provide a policyholder on request with a claims history statement in English for cross-border use.

Standardisation of claims history statements at EU level would be very difficult because of diverging national (liability) legislation. Moreover, it would not offer any added value because of differences in bonus/malus systems as well.

The claims history is just one of the factors considered by insurers when calculating premiums. It is important that each insurer remains free to decide which factors it takes into account when calculating the premium. The free competition is in the consumers' best interest.

In the coming months we will assess possible changes in the bonus/malus system in view of the growth of car sharing and other technological developments. In general we expect a shift from possession of a car to the use of it.

Technological evolution

Technological developments can offer new benefits for consumers and car accident victims. In the case of an accident vehicle behaviour data collected (by the Event Data Recorder) before and during the accident should be accessible and transmitted without delay via an independent entity to (among others) the insurer of the vehicle's owner and the car manufacturer. Consumers and victims of car accidents will benefit from such access: faster claims handling and costs savings. Provisions are needed at EU level to achieve this access.

The introduction of (semi-)automated vehicles could change the thinking on the responsibility for an accident. This could lead to greater importance of coverage of personal damage of the driver of a vehicle. The uptake of car sharing has already led to new insurance products.



About the Dutch Association of Insurers

The Dutch Association of Insurers represents the interests of private insurance companies operating in the Netherlands. The Association's members represent more than 95 percent of the insurance market expressed in terms of gross premium income. The Association is an independent organization managed and financed by its members.