

# MARKET BULLETIN

REF: Y4640

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| <b>Title</b>         | Fourth EU Motor Directive and Lloyd's Claims Representatives   |
| <b>Purpose</b>       | To inform the market that Lloyd's arrangements for the appointment of Fourth EU Motor Directive claims representatives have changed.   |
| <b>Type</b>          | Event  |
| <b>From</b>          | Cameron Murray, Senior Manager, International Regulatory Affairs,<br>General Counsel Division  |
| <b>Date</b>          | 30 November 2012   |
| <b>Deadline</b>      | 1 January 2013   |
| <b>Related links</b> | Market bulletins:<br>Y2972, 15 January 2003<br>Y2975, 20 January 2003<br>Y3278, 31 March 2004<br>Y3295, 19 April 2004<br>Y4273, 1 May 2009<br><br>UK Information Centre at Motor Insurers' Bureau <a href="http://www.midis.org.uk/">www.midis.org.uk/</a> |

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## Summary

Managing agents writing motor third party liability risks (Class 10) located in the EEA or Switzerland are responsible for complying with the requirements of the Fourth EU Motor Directive<sup>1</sup>. This includes the requirement to appoint a claims representative in each EEA member state (excluding the UK) and Switzerland and to notify the UK Information Centre accordingly. Although in practice managing agents already comply with this requirement, it will be incorporated into the Lloyd's minimum standards for motor business with effect from 1 January 2013.

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<sup>1</sup> The Fourth EU Motor Directive 2000/26/EC and previous Motor Directives were consolidated in the Fifth EU Motor Directive 2009/103/EC.

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## Background

The Fourth EU Motor Directive was implemented into the national legislation of each EEA member state and Switzerland in early 2003. Under this Directive, the role of the claims representative is to enable a person who suffers loss or injury in a motor accident in an EEA member state, other than his state of residence, to deal with a representative of the foreign insurer in his own language and member state<sup>2</sup>. This function is different from other types of claims representative that may be appointed in EEA member states. For example, claims representatives that are appointed to handle and settle motor claims that do not fall under the Fourth EU Motor Directive.

In 2003 Lloyd's appointed claims representatives in each EEA member state and Switzerland to act on a 'default' basis in the event that a managing agent had not appointed their own claims representative in a particular country<sup>3</sup>. In practice, since 2003, the default claims representatives have never had to provide this service as managing agents have always appointed their own claims representatives. For this reason, Lloyd's arrangements with its default claims representatives will be replaced by new arrangements with effect from 1 January 2013.

## New arrangements (with effect from 1 January 2013)

Managing agents are authorised by the FSA to underwrite motor third party liability risks (class 10) located in the UK. Managing agents that write motor third party liability risks located in the EEA (including the UK) or Switzerland must appoint their own claims representatives in each EEA member state (excluding the UK) and Switzerland. Such managing agents must notify the UK Information Centre at the UK Motor Insurers' Bureau (MIB)<sup>4</sup> of the names and contact details of the claims representatives that it has appointed. This may be done by sending an e-mail to [ukicinfocentre@mib.org.uk](mailto:ukicinfocentre@mib.org.uk). The UK Information Centre places this information in its online database of claims representatives, which is available at [www.midis.org.uk](http://www.midis.org.uk). Managing agents are also required to notify each information centre in other EEA member states and Switzerland of their appointed claims representative in that territory.

A list of EEA member states is provided in Appendix 1.

The definition of risk location in EEA member states and Switzerland is available on Crystal under Pre-placement considerations/Definition of risk location. See [www.lloyds.com/crystal](http://www.lloyds.com/crystal).

This Market Bulletin replaces Market Bulletins Y2972, Y2975, Y3278, Y3295 and Y4273.

As the new arrangement simply formalises the current practice of managing agents, it is not anticipated that there will be any difficulties in implementation.

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<sup>2</sup> See Market Bulletin Y3295.

<sup>3</sup> See market Bulletins Y2972 and Y2975.

<sup>4</sup> The UK Information Centre at the UK MIB is the national information centre under the Fourth EU Motor Directive.

**Further information**

If you require further information or wish to discuss this matter in more detail, please contact:

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**APPENDIX 1**

**LIST OF EEA MEMBER STATES**

Austria  
Belgium  
Bulgaria  
Cyprus  
Czech Republic  
Denmark  
Estonia  
Finland  
France  
Germany  
Greece  
Hungary  
Iceland  
Ireland  
Italy  
Latvia  
Liechtenstein  
Lithuania  
Luxembourg  
Malta  
Netherlands  
Norway  
Poland  
Portugal  
Romania  
Slovakia  
Slovenia  
Spain  
Sweden  
United Kingdom