



markt.h.2(2010)90319  
FS/050.080.100/0009

## **Motor Insurance Directive 2009/103/EC**

### **Proposed Methodology for the review of the minimum amounts referred to in Article 9 (1) of Directive 2009/103/EC**

#### **Executive Summary**

Article 9 of Directive 2009/103/EC<sup>1</sup> states that the absolute minimum amounts of cover in the case of personal injury and in the case of damage to property are required to be adjusted every five years after 11 June 2005 or the end of any transitional period. These amounts are to be increased automatically.

Member States are required to inform the Commission about the duration of the transitional period should they have established it.

This paper proposes a methodology for the conduct of the adjustment and a standard approach for its implementation by Member States.

---

<sup>1</sup> Directive 2009/103/EC of 16 September 2009 relating to insurance against civil liability in respect of the use of motor vehicles, and the enforcement of the obligation to insure against such liability (codified version).

## **I. BACKGROUND AND OBJECTIVE**

In order to avoid an erosion of the real value of the absolute minimum amounts of cover in the cases of personal injury and damage to property, the said Directive requires that these amounts be adjusted. This paper suggests a proposed methodology for the conduct of the adjustment and a standard approach for its implementation by the Member States.

## **II. LEGAL REQUIREMENTS**

The legal requirements for the adjustment are set out in Article 9 of Directive 2009/103/EC.

Article 9 states that:

1. The amounts as laid down in Article 9 shall be adjusted every five years as from 11 June 2005 or the end of any transitional period in order to take account of changes in the European index of consumer prices (EICP) comprising all Member States as published by Eurostat.

The amounts shall be adjusted automatically.

Such amounts shall be increased by the percentage change indicated by the EICP for the relevant period, that is to say, the five years immediately preceding the review, and rounded up to a multiple of EUR 10,000.

2. Member States establishing a transitional period shall inform the Commission thereof and indicate the duration of the period.
3. The Commission shall inform the European Parliament and the Council of the adjusted amounts referred to above and shall ensure their publication in the Official Journal of the European Union.

## **III. CURRENT MINIMUM AMOUNTS**

	(million euro)
In the case of personal injury	
Minimum amount of cover per victim	1
Minimum amount of cover per claim	5
In the case of damage to property and per claim	1

#### **IV. PROPOSED REVIEW METHODOLOGY AND STANDARD APPROACH FOR MEMBER STATE IMPLEMENTATION**

While the legal requirements are relatively clear, the calculations should be carried out in a systematic way and implemented uniformly by Member States.

Therefore, it is proposed that the required review be conducted as follows:

- The Directive states that the absolute minimum amounts of cover in the case of personal injury and in the case of damage to property must be reviewed in line with the European Index of Consumer Prices (EICP) established pursuant to Council Regulation (EC) No 2494/95<sup>2</sup> and adjusted automatically every five years after 11 June 2005 or the end of any transitional period. Such amounts shall be increased by the percentage change indicated by the EICP for the relevant period, that is to say, the five years immediately preceding the review and rounded up to a multiple of EUR 10,000.

- It is thus proposed that the required review be conducted as follows:

- Member States without a transitional period

The review should be carried out in the autumn every five years after 11 June 2005 (to reflect the obligation for a review starting 11 June 2010).

The review period should end on 11 June in the corresponding year to be consistent with the required 5 year review period, starting from 11 June 2005 (the date of entry into force of the original Fifth Motor Insurance Directive). Furthermore, given that the Eurostat publication of monthly statistics necessarily takes place with a certain time lag, this approach allows sufficient time for the preparation of the required index figure.

- Member States with a transitional period

Member States which introduced a transitional period will inform the Commission thereof. Given that the Eurostat publication of monthly statistics necessarily takes place with a certain time lag, the review should be carried out every five years after the end of any transitional period with a six months' delay.

The review period should end on the same day of the end of the transitional period in the corresponding year to be consistent with the required 5 year review period, starting from the day being the end of the transitional period. Furthermore, given that the Eurostat publication of monthly statistics necessarily takes place with a certain time lag, this approach allows sufficient time for the preparation of the required index figure.

---

<sup>2</sup> Council Regulation (EC) No 2494/95 of 23 October 1995 concerning harmonised indices of consumer prices.

- The index used for calculation purposes should be the European Index of Consumer prices (EICP) which is produced for the European Union by the Commission (Eurostat) based on the HICPs (harmonised index of consumer prices) of Member States. This index has been recommended by Eurostat officials and is defined at Article 2 of Council Regulation (EC) No 2494/95. It is proposed to use the EU series for this index as this is automatically adapted to take account of the accession of new Member States.
- The results of the review should be communicated to the EIOPC for comments at the EIOPC meetings.
- The revised amounts should be implemented by Member States under national law with an effective date for application not later than the end of the year following the date of review. Member States should confirm in writing to the Commission the date of national application.
- In accordance with the legal obligation in the Directive, the Commission will inform the European Parliament and the Council of the review and the adapted amounts.
- Lastly, in the interests of transparency the Commission also proposes to publish the adapted amounts in the Official Journal.

***Did you establish a transitional period under Article 9 of Directive 2009/103/EC? If so, can you indicate its exact duration?***

***Do you have any comments on the proposed methodology?***

Please send your comments **by 12 March 2010 at the latest.**

Contact:

Lukáš BORTEL, Telephone: (32-2) 296 14 69, [lukas.bortel@ec.europa.eu](mailto:lukas.bortel@ec.europa.eu)

Eelke Postema, Telephone: (32-2) 299 13 69, [eelke.postema@ec.europa.eu](mailto:eelke.postema@ec.europa.eu)