

Contribution

**of the German Insurance Association (GDV)*
ID-Number 643780268-55**

on the Consultation on the cross-border simplification of vehicle registration in the EU

1. Current situation

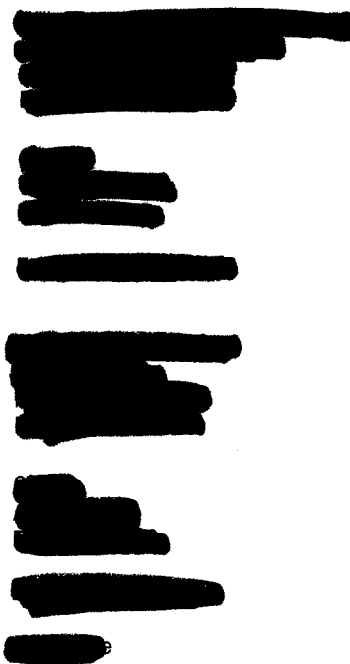
Even after the implementation of the European Single Market, it may turn out to be difficult buying a motor vehicle from abroad and transporting it from one member state to another. As far as the motor vehicle will be transported as rail cargo or on road train no major problems will appear, even if the vehicle is no longer registered in the member state it has been bought. Admittedly, the motor vehicle has to be re-registered in the country of destination. However, the situation is likewise, if the motor vehicle would have been bought in the member state it shall be registered permanently. Therefore, the duty to re-register an unregistered motor vehicle will not provide an additional obstacle. Within the single market it should be as easy, to buy a motor vehicle from abroad and transport it home on its own wheels. In fact it is not. There will be a lot of difficulties, if a motor vehicle is no longer registered in the member state it has been bought.

As far as we can see, the traffic provisions of all member states demand that a motor vehicle has to be registered according to the national prescriptions before it may be used on public roads. Therefore, the buyer will have to register the motor vehicle in the member state he bought it before he may cruise on that territory. This will be not an easy task. It demands the buyer not only to be well versed with foreign registration provisions. He also will have to negotiate with foreign registration authorities in a foreign language. Additionally, before the 5th Motor insurance (MID 5) had been

*) The German Insurance Association (GDV) is the umbrella organisation for all private insurers and reinsurers in Germany no matter what their legal status is. Its 464 member companies, with about 217.000 employees and trainees, offer comprehensive coverage and provisions to private households, trade, industry and public institutions, through more than 450 million insurance contracts. As a risk taker and major investor (with an investment portfolio of about 1.170 billion EUR), the insurance industry has outstanding significance in connection with investments, growth and employment in our economy.

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implemented, the buyer had to negotiate with a foreign MTPL-Insurer as well in order to buy short term MTPL insurance coverage.

2. MID 5 provides no solution as far as vehicle registration is concerned

The implementation of Art. 4 of MID 5 (= Art 15 of the Directive 2009/103/EC of the European Parliament and of the Council of 16 September 2009) did not completely eliminate the difficulties described above. Admittedly, the buyer is now allowed to bring along MTPL insurance coverage from his home country. However, the motor vehicle still has to be registered in the member state it was bought, as far as cruising on that territory is concerned. Therefore, the buyer still has to at least overcome language barriers in negotiating with a foreign registration authority.

3. Implementing a Pan-European registration document will not solve the problem in the scope required

In our opinion, the implementation of a Pan-European registration document will offer no feasible solutions, neither in a short term nor in a medium dated perspective. Additionally, we doubt that such a solution will provide an appropriate cost-benefit ratio. As far as we are informed, motor vehicle registration in most the member states is mandatorily linked to numerous additional purposes, among these the evidence that

- the motor vehicle is roadworthy, complies with restrictions or environmental provisions etc.,
- the motor vehicle is properly insured (MTPL),
- there are no outstanding tax amounts as far as the motor vehicle is concerned.

Furthermore, the registration authorities have

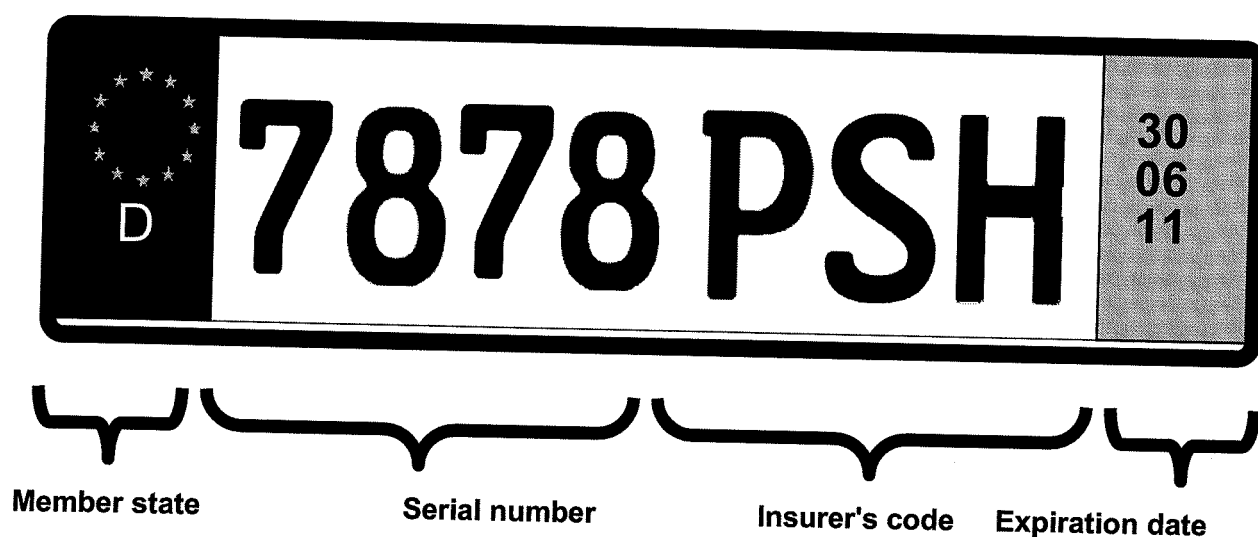
- to safeguard that the data of the vehicle keeper/owner (name, address etc.) as well as the data of the motor vehicle registered (technical and individual) will be accurate and up to date so that
- the local and national traffic registration authorities as well as the local resident registration authorities will be able to provide these data to everybody who is entitled to receive that information, such as
 - the police,
 - the road accident victim,
 - automotive manufacturers in case motor vehicles have to be called in due to defects in material etc.

- to secure that motor vehicles no longer roadworthy or no longer insured properly will be withdrawn from public traffic circulation immediately.

In our opinion these duties can only be followed effectively, if the data will be not only accurate and up to date but immediately accessible at least intra-day. To secure this a Pan-European registration authority would have to be constituted providing a similar level of accuracy and up-to-dateness of the data described. This would be a very ambitious task undoubtedly not to achieve in a short term perspective. Additionally, we doubt that such a solution will provide an appropriate cost-benefit ratio. Therefore, our approach is headed to another direction:

4. The approach of the German Insurance Association

The German Insurance Association campaigns for a solution bypassing state run vehicle registration, as far as a motor vehicle transport on its own wheels from one member state to another is concerned. Therefore, we propose a **European Insurance Temporary Licence Plate (EITLP)** designed for driving a motor vehicle from one member state to another and to be issued by the European MTPL insurers only, as shown below:



This license shall display the member state, the issuing insurer is situated or supervised, the (code of the) responsible insurer and the validity period of the license plate or rather of the MTPL insurance coverage.

The EITLP

- shall be available from every MTPL insurer entitled to provide MTPL insurance coverage in the member state the motor vehicle shall be registered permanently;
- any individual who would like to buy a motor vehicle situated in another member state shall be allowed
 - a) to bring along an EITLP from his member state (i.e. the member state the motor vehicle shall be permanently registered.
 - b) to attach himself the licence plate to the motor vehicle on the territory of the member state he/she bought it
 - c) to transport the motor vehicle on its own wheels from that territory to the territory of member state the motor vehicle shall be permanently registered.

Currently, a license plate issued by a European member state proves the existence of proper MTPL insurance coverage for the motor vehicle attached to. We propose that the European Insurance Temporary Licence Plate shall be furnished with that guarantee function as far as the time period displayed is concerned.

In our opinion this approach ideally combines the following advantages. It may be realized in the near term and avoids a detailed and time consuming coordination process of Pan-European vehicle registration. The registration authorities will be relieved from work and responsibility. The European Insurance Temporary Licence Plate shall be issued only by an entity who bears the risk and will be responsible for compensating the road traffic accident victim. As the responsible insurer will be displayed at the license plate he can be easily traced.

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