

**Summary on a page of DfT’s consultation on motor insurance: consideration of the European Court of Justice ruling in the case of *Damijan Vnuk v Zavarovalnica Triglav*** - consultation paper accessible [here](#) and open until 31 March 2017

<b>Foreword</b>	<ul style="list-style-type: none"> <li>The decision was unexpected and disappointing and is described as a “<i>game changer</i>”. That said, the UK has to comply with the interpretation of the MID while it remains a member of the EU. The UK Government firmly prefers an amended Directive (ie Motor Insurance Directive 2009/103/EC, hereafter ‘MID’) option over any comprehensive option.</li> </ul>
<b>Introduction</b>	<ul style="list-style-type: none"> <li><b>Q1</b> asks about the need for sunset or review clauses relating to any possible changes.</li> <li><b>Q2</b> seeks very broad views on policy goals for UK motor insurance law once the UK has left the EU (a ‘blank sheet of paper’ question?).</li> </ul>
<b>Section 2 – current law</b>	<ul style="list-style-type: none"> <li>Sets out current UK &amp; NI motor insurance law and identifies its deficiencies: “<i>we must amend UK legislation to ensure that victims of motor vehicle accidents have a route to compensation in the full range of circumstances required by the Directive.</i>” Notes that there is “<i>some uncertainty about what the Motor Insurance Directive will look like for the remaining duration of the UK’s membership [of the EU]</i>”.</li> </ul>
<b>Section 3 – comprehensive option</b>	<ul style="list-style-type: none"> <li>Sets out the comprehensive option (CO), being a maximalist approach to <i>Vnuk</i>. Refers to newly-in-scope vehicles (NISVs) - particularly motor sports and competitor- to-competitor coverage - and flags prospect of derogations.</li> <li><b>Q3</b> is a binary question about whether this option is better or worse than the present position.</li> </ul>
<b>Section 4 – amended direction option</b>	<ul style="list-style-type: none"> <li>Sets out the amended directive option (ADO). This is aligned with EU Commission option 3 ie the MID could be changed so as to would apply only to accidents caused in traffic.</li> <li><b>Q4</b> asks which of the 4 Commission options stakeholders support and why. <b>Q5</b> asks if amending MID this way would be better or worse than comprehensive option. <b>Q6</b> asks about concept of “<i>areas where the public has access in accordance with national law</i>”.</li> </ul>
<b>Section 5 – derogations</b>	<ul style="list-style-type: none"> <li>Notes that any derogation from compulsory insurance has to link to MIB if insurance not purchased optionally. Indicates derogations possible under either the ADO or the CO.</li> <li><b>Q7</b> asks yes/no if derogation should be used with these options. <b>Q8</b> asks about defining factors that may assist should NISVs be derogated.</li> </ul>
<b>Section 6 - enforcement</b>	<ul style="list-style-type: none"> <li>Deals with enforcement of obligation to insure NISVs (ie those now included as a consequence of <i>Vnuk</i>).</li> <li><b>Q9</b> asks about enforcement challenges in both the CO and ADO settings. <b>Q10 &amp; 11</b> ask about maintaining a central register of NISVs. <b>Q12</b> asks about traceability markings for NISVs (since they do not have registration plates) in both the CO and ADO settings.</li> </ul>
<b>Section 7 - SORN</b>	<ul style="list-style-type: none"> <li>Deals with Statutory Off Road Notification or SORN. Notes that the CO means vehicles used on private land would require compulsory cover, which raises a question about the current UK approach of not requiring insurance in respect of vehicles subject to SORN.</li> <li><b>Q13</b> asks if vehicles subject to SORN should have cover under the CO. <b>Q14</b> asks about any problems with SORN under the ADO (although the preceding text does not foresee any).</li> </ul>
<b>Section 8 - penalties</b>	<ul style="list-style-type: none"> <li><b>Q15</b> asks yes/no if same penalties (for failure to insure) should apply to NISVs as to road vehicles.</li> </ul>
<b>Section 9 - fraud</b>	<ul style="list-style-type: none"> <li><b>Q16</b> asks about deterring fraud in the claims process, <b>Q17</b> asks for general views on fraud risks and <b>Q18</b> asks about other ideas for combatting fraud. All questions refer to both the CO and the ADO.</li> </ul>
<b>Section 10 – costs &amp; benefits</b>	<ul style="list-style-type: none"> <li>Sets out the need for a cost/benefit analysis and raises concerns about increased pressure on MIB levies. States that the ADO appears to offer the best balance for vehicle drivers and victims. Requests data and assistance with finalising the accompanying impact assessment.</li> </ul>
<b>Annexes</b>	<ul style="list-style-type: none"> <li><b>Annex A</b> deals with NISVs and <b>Annex B</b> with general consultation principles. <b>Annex C</b> has three parts: part 1 is about the respondent, part 2 is for providing answers to Qs 1-18 above and <b>part 3</b> asks further questions, <b>Qs 19- 24</b> about premium, claims and accident data for NISVs.</li> </ul>