Certain issues relating to motor insurance

2007/2258(INI) - 02/09/2008 - Text adopted by Parliament, single reading

The European Parliament adopted by 664 votes to 16, with 12 abstentions, a resolution on certain issues relating to motor insurance.

The own initiative report had been tabled for consideration in plenary by Nickolay **MLADENOV** (EPP-ED, BG) on behalf of the Committee on the Internal Market and Consumer Protection.

The Parliament welcomes the European Commission's report on certain issues relating to motor insurance and highlights the importance of including all stakeholders, in particular consumers, in the process of consultation in the development of EU policy in this field. It calls for the systematic involvement of consumer organisations representing, in particular, victims in the process of evaluation of the effectiveness of the systems in place in the Member States.

Consumer confidence: the resolution highlights the importance of increasing consumer confidence in motor insurance policies as regards cross-border motor vehicle travel within the EU, especially for motorists from the old Member States travelling to destinations in the new Member States and vice versa. It recalls that Member States are also responsible for the good functioning of their national insurance systems in relation to EU legislation regarding the reasoned offer/reply procedure and legal costs borne by victims. The Commission is invited to continue to closely monitor the effective functioning of market mechanisms and to report periodically on this issue.

Sanctions: MEPs consider that the principle of subsidiarity should be applied and that there is no need for the harmonisation of national penalty provisions. They recommend, with reference to the reasoned offer /reply procedure, leaving to the discretion of Member States the imposition of sanctions and the choice of which types and levels of provision are appropriate. Member States are called upon to ensure that, in the event of non-compliance with the three-month deadline for submitting a reasoned reply to the claim for compensation or a reasoned offer of compensation, the penalties introduced are effective.

Claims representative system: the resolution reiterates the importance of boosting citizens' confidence in the functioning of the claims representative system by promoting it through public campaigns and by other appropriate measures. Insurers are required to include the contact details of the information centre in the Member State in question in their contractual information package. They are also, as part of the pre-contractual information package, to provide comprehensive information to consumers on how the claims representative system works and what are its uses and benefits to the insured party.

Legal protection insurance: MEPs consider, on balance, that the negative effects of introducing a system of compulsory cover of legal costs in Motor Third Party Liability insurance would outweigh the potential benefits. The Commission is invited to take, in partnership with Member States, the further steps necessary to raise awareness of legal protection insurance, particularly in the new Member States, focussing on informing consumers of the advantages of holding this type of insurance cover. In this context, MEPs consider the role of national regulatory bodies to be crucial for the implementation of best practices from other Member States.

The Parliament invites the Member States to urge national regulatory bodies and intermediaries to inform customers of possible risks and of additional voluntary insurance which might benefit them, such as, for example, legal expenses insurance, assistance cover and insurance for theft. Those Member States that do not have established alternative dispute resolution systems for settling claims are invited to consider introducing such systems based on best practice from other Member States.