

MOTOR VEHICLE THIRD PARTY INSURANCE

Contracting Parties avow that the insurance of the motor vehicles to cover third party liability is very important and essential part of the organization of international road transport.

For this purpose the following provisions are made under this Annex.

Article 1

The Contracting Parties for the purpose of this Annex will apply the provisions of the Uniform Agreement between Bureaux which are responsible for the management and operation of the Green Card System among themselves.

Article 2

The Contracting Parties which are not yet parties to the International Green Card Systems shall take necessary steps to sign the said Agreement.

Article 3

1. For the purposes of this Annex the Contracting Parties shall use an interim motor vehicle third party liability insurance scheme unless all the Contracting Parties accede to the International Green Card System.

2. The order and terms of implementation of this interim insurance scheme shall be determined by the Insurance Sub-Committee of the Transit Transport Coordination Council.

3. From the moment of entering of this Agreement into force each of the Contracting Parties shall assume liability to determine, within three months, a specific national insurance company or other specialized organization authorized to participate in the proposed interim insurance scheme as the National motor vehicle insurance Bureau.

Article 4

The Insurance Sub-Committee of the Transit Transport Coordination Council shall be composed of two representatives from each of the Contracting Parties viz from the insurance surveillance body and the organization acting as the National motor vehicle insurance Bureau (authorized insurance company).

Terms of Reference of the said Insurance Sub-Committee are:

- a. To determine the insurance tariffs and preparing the provisions relating to the receiving of the premiums and payment of the claims (property damage and bodily injury);
- b. Preparation of the draft of multilateral insurance agreement among the Contracting Parties and its monitoring after signing of it;
- c. Preparation of Motor Vehicle Third Party liabilities insurance policy;
- d. Consideration of the proposals and remarks coming from the Contracting Parties, submission of arisen disputable issues for their settlement by the Transit Transport Coordination Council, reconciliation of draft necessary documents with the Governments of the Contracting Parties;
- e. Consideration of any other insurance issues in order to facilitate the implementation of the TTFA.

Article 5

In pursuance of the above mentioned Articles, the Contracting Parties shall take the following measures:

- a. Undertake to require the insurance company or companies established in their territory and writing motor vehicle third party liability insurance to ensure the minimum insurance coverage at a level determined by the agreements of the Contracting Parties.
- b. Harmonize domestic legislation required for the implementation of the provisions of this Annex, and
- c. Allow funds to be transferred for the reimbursement of compensation paid by the National Bureaux of the other Contracting Parties in accordance with the provisions of the International Green Card System.

Article 6

Proposals prepared by the Insurance Sub-Committee will be submitted to the Transit Transport Coordination Council (TTCC) for approval.