

EXPLANATORY MEMORANDUM TO
THE MOTOR VEHICLES (INTERNATIONAL MOTOR INSURANCE CARD)
(AMENDMENT) REGULATIONS 2021

2021 No. 720

1. Introduction

- 1.1 This explanatory memorandum has been prepared by the Department for Transport and is laid before Parliament by Command of Her Majesty.

2. Purpose of the instrument

- 2.1 This instrument amends the Motor Vehicles (International Motor Insurance Card) Regulations 1971 (“the 1971 Regulations”), to prescribe a new format of international motor insurance card, otherwise known as the Green Card. The new format will show motor insurance cover for the United Kingdom in a separate box from cover for EU member states. The change applies in relation to Green Cards carried by motorists visiting Great Britain, and is made to bring Great Britain’s legislation in line with the Green Card formatting requirements set out by the Council of Bureaux⁽¹⁾, the organisation that oversees the Green Card system. This instrument also allows for the existing prescribed format for international motor insurance cards to continue to be valid until 31st December 2022 as per the Council of Bureaux’s internal provisions, which allow for a period of transition when new formats are introduced.

3. Matters of special interest to Parliament

Matters of special interest to the Joint Committee on Statutory Instruments

- 3.1 None.

Matters relevant to Standing Orders Nos. 83P and 83T of the Standing Orders of the House of Commons relating to Public Business (English Votes for English Laws)

- 3.2 As the instrument is subject to negative resolution procedure there are no matters relevant to Standing Orders Nos. 83P and 83T of the Standing Orders of the House of Commons relating to Public Business at this stage.

4. Extent and Territorial Application

- 4.1 The territorial extent of this instrument is Great Britain.
4.2 The territorial application of this instrument is Great Britain.

5. European Convention on Human Rights

- 5.1 As the instrument is subject to negative resolution procedure and does not amend primary legislation, no statement is required.

¹ These formatting requirements are set out in the Council of Bureaux’s Internal Regulations which can be accessed via the Council of Bureaux website: <https://www.cobx.org/>. A paper copy of the Internal Regulations can also be obtained upon request from the Department for Transport, Great Minster House, 33 Horseferry Road, Westminster, London, SW1P 4DR.

6. Legislative Context

- 6.1 This instrument is made to implement a decision taken by the Council of Bureaux to update the format of the Green Card to reflect that the UK is no longer a member of the European Union and that the implementation period has ended, meaning that EU law will no longer apply in and to the UK.
- 6.2 The instrument prescribes the new format of Green Card for use by visiting motorists. This is the format of Green Card which national motor insurers' bureaux (a national bureau is established in each country which participates in the Green Card system) were, as of 1st January 2021 and in accordance with the format prescribed by the Council of Bureaux, able to issue to visiting motorists. This instrument also allows for the existing prescribed format for international motor insurance cards to continue to be valid until 31st December 2022 as per the Council of Bureau's internal provisions.
- 6.3 The instrument makes these changes by inserting a new Schedule 1 into the Motor Vehicles (International Motor Insurance Card) Regulations 1971 containing an image of the new Green Card format and renumbers the current Schedule as Schedule 2. This contains the image of the current format which will remain valid until 31 December 2022.
- 6.4 The 1971 Regulations were, so far as relevant for the purposes of the amendments made by this instrument, made under the powers contained in section 215 of the Road Traffic Act 1960. Section 215 of the Road Traffic Act 1960 has been repealed but has been re-enacted, in substance, by section 160 of the Road Traffic Act 1988.

7. Policy background

What is being done and why?

- 7.1 48 countries participate in the Green Card system. A Green Card enables a visiting motorist to demonstrate that they have the requisite minimum level of third party motor insurance under the law of the country they are visiting, and therefore to avoid having to take out national motor insurance at the border. So, a Green card which is valid for use in the UK, certifies that the visiting motorist has at least the minimum cover required under UK legislation; and provides a guarantee that third party claims will be reimbursed by the insurer in accordance with UK legislation.
- 7.2 The 1971 Regulations implement in part, and in respect of Great Britain, the UK's commitments as part of the Green Card Area (the collection of countries across which the Green Card system operates). The effect of the 1971 Regulations is that a visiting motorist to Great Britain can evidence motor insurance for use of their vehicle in Great Britain, by way of a valid Green Card.
- 7.3 The Council of Bureaux has issued a new template for Green Cards, in which insurance cover for travel to the United Kingdom is shown in a separate box from cover for EU Member States. The form of Green Card issued by Great Britain insurers is not prescribed in legislation. Great Britain insurers can therefore issue the new template to British motorists without legislative amendment. However, the current Schedule to the 1971 Regulations prescribes the form of Green Card to be used by motorists visiting Great Britain and an amendment to the 1971 Regulations is required to update the Green Card template so as to recognise this new format.
- 7.4 The instrument also allows for the existing prescribed format for international motor insurance cards to continue to be valid until 31st December 2022, as the Council of

Bureau continue to allow for existing templates to be valid for up to two years after a new one is issued.

8. European Union Withdrawal and Future Relationship

8.1 This instrument is not being made under the European Union (Withdrawal) Act.

9. Consolidation

9.1 There are no plans to consolidate the legislation amended by this instrument.

10. Consultation outcome

10.1 A targeted consultation, given the limited impact of the instrument and that any impact will be on the public sector bodies who check insurance documents, took place between 21/04/2021 and 07/05/2021. The bodies contacted were Motor Insurance Bureau, the British Insurance Brokers' Association, The National Police Chief's Council, Border Force, and the Association of British Insurers, and they were content with the proposed changes.

11. Guidance

11.1 Guidance will not be published in relation to this instrument, but information on the Green Card System is published by the Council of Bureaux and the UK's Motor Insurers' Bureau².

12. Impact

12.1 There is no, or no significant, impact on business, charities or voluntary bodies.

12.2 The impact on the public sector is minimal overall.

12.3 An Impact Assessment has not been prepared for this instrument because the costs and benefits to business are expected to fall below £5m net in any one year. Any impact, which is expected to be minimal, will fall to the public sector bodies who check insurance documents from visiting motorists.

13. Regulating small business

13.1 The legislation does not apply to activities that are undertaken by small businesses.

14. Monitoring & review

14.1 There are no plans to monitor or review this instrument because it will have no measurable outcomes.

15. Contact

15.1 Oliver Martin at the Department for Transport, telephone: 07812 483571, email: Oliver.Martin@dft.gov.uk, can be contacted with any queries regarding the instrument.

15.2 Samantha Collins-Hill, Deputy Director for Future EU Roads Relationship Policy and Negotiations at the Department for Transport, can confirm that this Explanatory Memorandum meets the required standard.

² Information published by the Motor Insurers' Bureau can be accessed at <https://www.mib.org.uk>

15.3 Baroness Vere, Parliamentary Under Secretary of State at the Department for Transport, can confirm that this Explanatory Memorandum meets the required standard.