European Convention on Compulsory Insurance against Civil Liability in respect of Motor Vehicles

Strasbourg, 20.IV.1959

Annex I - Provisions annexed to the Convention

Article 1

For the purpose of this law:

The term "*motor vehicles*" shall mean: mechanically-propelled vehicles intended to be driven on the ground other than vehicles running on rails, and shall include trailers when coupled, and insofar as the government so decides, uncoupled trailers which are constructed or adapted to be towed by a motor vehicle and to carry persons or goods;

The term "*assured*" shall mean: persons whose liability is covered in accordance with this law;

The term "*injured parties*" shall mean: persons entitled to compensation for damage caused by a motor vehicle;

The term "*insurer*" shall mean: the insurance undertaking approved by the government in accordance with paragraph 1 of Article 2, and, in the case of paragraph 2 of Article 2, the Bureau responsible for the settlement of claims for damage caused in the national territory by vehicles normally stationed outside that territory.

Article 2

1   No motor vehicle may be driven on the public highway, in grounds open to the public or in private grounds to which certain persons have right of access, unless the civil liability to which it may give rise is covered by insurance in accordance with the provisions of this law.

The insurance must be effected with an insurer approved by the government for this purpose.

2   Nevertheless, motor vehicles normally stationed outside the national territory may be driven in that territory on condition that a Bureau recognised for this purpose by the government assumes direct responsibility for compensating, in accordance with municipal law, injured parties for damage caused by such vehicles.

Article 3

1   The insurance must cover the civil liability of the owner and of any driver or person in charge of the insured vehicle, with the exception of persons who have taken control thereof either by theft or violence or merely without the consent of the owner or person in charge. Nevertheless, in the latter case the insurance must cover the civil liability of the driver if he has been able to take control of the vehicle through the fault of the owner or person in charge, or if he is a person employed to drive the vehicle.

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2   The insurance must include damage caused to persons and property in the national territory, with the exception of damage to the insured vehicle and to property carried by it.

Article 4

1   The following may be excluded from the benefits of the insurance:

a   the driver of the vehicle causing the damage, the policy-holder and all persons whose civil liability is covered by the policy;

b   the spouses of the persons mentioned above;

c   members of the families of those persons, provided either that they reside with them or are dependent on them for their maintenance, or that they are carried in the vehicle which caused the damage.

2   Damage caused by the vehicle during participation in authorised motor races or competitions, whether for speed, reliability or skill may be excluded from the normal insurance.

Article 5

Should it be stipulated in the policy that the assured shall himself make some contribution towards compensation for the damage, the insurer shall nevertheless remain liable to the injured party for payment of the contribution which the contract lays down as being due by the assured.

Article 6

1   The injured party has a direct claim against the insurer.

2   Should there be more than one injured party, and the total compensation due exceed the sum insured, the rightful claims of the injured parties against the insurer shall be reduced in proportion to that sum. Nevertheless, an insurer who, through ignorance of the existence of other claims, has in good faith paid an injured party more than that party's proper share, shall be accountable to the other injured parties only for the remainder of the sum insured.

Article 7

1   The assured must report to the insurer all accidents of which they have knowledge. The policy-holder must supply the insurer with any information or documents stipulated in the policy. Assured persons other than the policy-holder must supply any information or documents required by the insurer, at the latter's request.

2   The insurer may make the assured a party to an action brought against him by the injured party.

Article 8

1   Any action by the injured party against the insurer based on the former's direct claim against him shall be barred after two years have elapsed since the time of the accident.

2   A written request shall suspend the period of limitation in respect of the insurer until such time as he states in writing that he has broken off negotiations. The period of limitation shall not be suspended by subsequent requests.

Article 9

1   The insurer may not raise against an injured party the rights which he possesses vis-à-vis the assured, by virtue of the contract or of the provisions of the law relating to it, to withhold or reduce its benefits.

2   The invalidity or termination of the insurance contract, its suspension or that of the guarantee thereunder may be raised by the insurer against the injured party only in respect of accidents occurring after 16 days have elapsed since the insurer gave notice of the said invalidity, termination or suspension. In the case of consecutive insurances this provision shall apply only to the last insurer.

3   However, the provisions of the preceding paragraphs shall not be applicable insofar as the damage is effectively covered by another insurance.

4   The provisions of paragraphs 1 and 2 of the present article shall in no wise prejudice the insurer's right to take action against the policy-holder or an assured person other than the policy-holder.

Article 10

No departure by way of agreement between individuals may be made from those provisions of this law which are designed to protect injured parties, unless the right to do so follows from those provisions.