

MODEL FOR A CORRESPONDENTS' CHARTER*

*(can be modified and adapted in accordance with the Bureau's own situation)

CHAPTER 1: CONDITIONS UNDER WHICH A BUREAU GRANTS, REFUSES OR WITHDRAWS ITS APPROVAL TO A CORRESPONDENT

1.1 How to act as correspondent of a foreign insurer in [Please add your country¹]?

1.1.1 Which entities can be accepted as correspondents in[Please add your country]?

The Bureau of [Please add the name of your Bureau granting the approval] accepts as correspondent²:

[Please add the relevant information:

- Insurers (all members of the bureau...?....)
- Loss adjusters
- Others]

The approval will be granted as of right when requested in the name of a member of another Bureau for any establishment (*branches, subsidiaries ...*) of this member in..... [Please add your country], provided that it is authorized to transact insurance against civil liability in respect of the use of motor vehicles.

[To be used by EEA Bureaux only: Subject to the national law applicable, the Bureau of .. [Please add the name of your Bureau granting the approval] as of right approves as correspondent any representative pursuant to the 4th Motor Insurance Directive who is already appointed as such by the insurer].

In all cases, the request to appoint a correspondent has to be made according to the procedure described in Section 1.2 of the present document. The Bureau of [Please add the name of your Bureau granting the approval] will send its approval and the date of activation to the correspondent.

1.1.2. Conditions according to which a correspondent of a foreign insurer can be approved

General conditions: [Please mention them: e.g. national law.....]:

Requirements from the Bureau [Please mention them if applicable]:

The request for approval is supported by the following information, [Please mention them: e.g.:

¹ The model Charter contains provisions which are to be adapted or filled in by the Bureau which grants the approval to the correspondent (see indication in the text inviting the Bureau concerned to add the missing information). However, some of its provisions can still be adapted but are of a more general nature.

² Correspondent shall be understood in the meaning of Article 4 of the Internal Regulation

- Statutes;
- Number of claims handlers;
- Skills of claims handlers;
- Available training and conditions to obtain them;
- Capacity to handle claims; network of experts (material damages, medical experts, lawyers....) and access to information;
- Average amount of cash flow.....]

Financial requirements *[Please mention them if applicable]*

The files have to be handled in ... *[Please mention your country]*. The victims must be able to have a contact and to consult their file in the official language(s) of the country.

Fronting *[Only for Bureaux asking for a fronting:*

If the correspondent requested is not a member of the Bureau of *[Please add the name of your Bureau granting the approval]* it will be appointed under the guarantee of one of the members of this Bureau (hereafter call fronter)

In case of difficulties to find a fronter, the correspondent (being as well nominated as claims representative according to the 4th MID) shall contact the Bureau of *[Please add the name of your Bureau granting the approval]*

1.2. How can the insurer ask for the approval of a correspondent in a country of the Green Card system?

[being a reminder of the general principles stated in the Internal Regulations]

1.2.1 Procedure

Each insurer may designate a correspondent in another country of the Green Card system which handles claims on behalf of the Bureau and on its own behalf.

The designation of a correspondent falls within the exclusive competence of the Bureaux.

Each request for approval of a correspondent shall be sent to the Bureau of which the insurer making the request is a member. The request will be sent to the Bureau of *[Please state the Bureau of which the insurer making the request is a member of]* by *[Please add the appropriate wording: fax, e-mail, letter, addressed to the attention of Mr/Ms ...]*

This request must be supported by evidences that the proposed correspondent agrees to the requested approval (which can be any credible and clear declaration of acceptance and can be made by the international organisation of which the local correspondent is a representative in accordance with Decision N° 8 of the 2005 General Assembly).

The request shall be communicated by the Bureau of *[Please state the Bureau of which the insurer making the request is a member of]* to the foreign Bureau which shall grant the approval to the correspondent.

1.2.2 Time limit

The Bureau granting the approval shall grant or refuse its approval within a period of three months from the request of the Bureau of which the insurer making the request is member. It shall send its decision as soon as possible to the Bureau that made the request.

1.2.3 Date of activation

The insurer requesting the approval of a correspondent may ask for a date of activation (while taking care of the necessary time limit to consider the request).

The Bureau granting the approval shall accept this date, except if there are any justified reasons to set another date. It shall notify its decision and the date of activation of the approval to the Bureau of which the insurer making the request is a member of and to the correspondent as soon as possible but not more than 3 months from the date of receipt of the request.

In the event of no response being received, the approval shall be deemed granted and shall take effect on the expiry of that period.

1.3 Activation

1.3.1. Once the approval is granted, the correspondent has exclusive competence to handle and settle claims resulting and/or caused by the vehicles insured by the insurer having requested its approval.

1.3.2. If the Bureau of *[Please add the name of your Bureau granting the approval]* is informed of an accident occurring in *[Please add your country]*, involving such a vehicle, it will forward this information to the correspondent for further action.

1.3.3. If the Bureau of ... *[Please add the name of your Bureau granting the approval]* receives a claim arising out of an accident involving such a vehicle, it will forward it without delay to the correspondent so that it may be handled and settled in conformity with the provisions of the Internal Regulations.

1.3.4. The date taken into account for the transmission of the file to the correspondent is ***[Please keep the relevant wording and/ or specify :***

- *The date of the accident*
- *The date of information of the Bureau*
- *Another rule: please specify ...*
- *Please specify also the case of old files closed and then re-opened...*

1.4. Conditions under which the Bureau can refuse the approval of a correspondent

If the above conditions are not fulfilled, the Bureau of *[Please add the name of your Bureau granting the approval]* is entitled to refuse the agreement of the correspondent.

[Wording to be used by the EEA Bureaux only:

If the requested correspondent is appointed as a representative pursuant to the 4th Motor Insurance Directive, the Bureau grants its approval as of right and subject to the national law applicable. It could

refuse its approval only if it is able to justify that the correspondent is actually not able to perform this function].

1.5. Cancellation of the mandate

1.5.1. Cancellation by an insurer of its agreement with a correspondent (general rule):

The insurer which wants to cancel its agreement with a correspondent shall inform the Bureau of which it is a member of about its wish to cancel the nomination of its correspondent. This Bureau shall inform the Bureau which granted the agreement. The latter shall inform the correspondent of the date of the termination of its mandate. Even if it falls within the competence of the latter to set the date of cancellation, the insurer can request a termination date (taking into account, the time limit necessary to the Bureaux to consider the request). The Bureaux shall respect this date except if there are serious and justified reasons to set another date, especially in light of the victims' interests.

1.5.2. Cancellation by a correspondent of its agreement with the foreign insurer that asked for its approval (general rule):

If a correspondent wants to terminate the mandate with the foreign insurer which asked for its approval, it shall inform this insurer which shall then follow the procedure explained in paragraph 1.5.1 hereabove.

If, for exceptional reasons, it is not possible to apply this procedure, the correspondent shall inform the Bureau which granted its agreement. The latter will give the information to the Bureau of which the insurer concerned is a member. The correspondent may propose a date for the cancellation of this agreement, but it cannot agree with the insurer which requested its agreement on this matter, the Bureau which gave the agreement shall fix the date from which the cancellation will take effect in line with the victim's interests.

1.5.3 Situation of ongoing files

Apart from specific agreements between the foreign insurer, the former and the new correspondent, approved by the Bureau which granted the approval, the dispute shall be settled according to the rules specified in paragraph 1.3.4 hereabove.

If there is no problem, and the foreign insurer, the former and the new correspondent agree, there is nothing preventing the former correspondent from continuing to handle the old files.

If it is proved that the victim's interests are no longer protected, the Bureau shall take over the handling and settlement of a claim from the correspondent.

In the event of a dispute, the Bureau may offer good advice to the parties and should be entitled to propose a specific agreement with the aim of protecting the victims' interests.

1.6 Decision of the Bureau which granted the approval to withdraw this approval.

The Bureau of ... *[Please add the name of your Bureau granting the approval]*, can withdraw its approval if it appears that the correspondent makes serious and repeated breaches to the national law or to the Internal Regulations.

The procedure applicable in case of withdrawal is governed by Chapter 4 (Sanction) here below.

In case of emergency, the Bureau can withdraw its approval immediately, after receiving information from the insurer transmitted by the Bureau which requested the appointment of the correspondent.

1.7 Specific cases: cases of merger transfer of portfolio, withdrawal of the licence, or termination of the correspondent's activity.

1.7.1. Merger of the correspondent with another entity

In case of merger of a correspondent with another entity, its mandate shall not be cancelled as of right. The Bureau which granted the approval has to conform to the decision of the insurer which requested the approval. Should this insurer request to cancel its mandate with the correspondent, such request shall be transmitted according to the procedure provided in paragraph 1.5.1 hereabove.

1.7.2. Bankruptcy, withdrawal of the correspondent's licence

If the Bureau of *[Please add the name of your Bureau granting the approval]* is informed of the changes to the correspondent's situation, which can give rise to difficulties for the compensation of victims, or can infringe the foreign insurer's interests, it will inform the Bureau which requested the approval.

The Bureau of ... *[Please add the name of your Bureau granting the approval]* can withdraw the approval at each suitable date to protect the victims and the foreign insurer's interests.

It will propose to take over the ongoing files from the correspondent, except if another solution which is favourable to the victim, is set up between the parties.

If the correspondent is authorised to continue its activity (for instance: in case of run off or transfer of portfolio) the correspondent can continue to handle ongoing files, if there is no danger to the victims' interests.

1.7.3. Cases where the foreign insurer which requested the appointment of the correspondent is no longer a member of a Bureau (e.g. bankruptcy and cases provided for in the national law such as liquidation, withdrawal of licence, etc).

If the Bureau of *[Please add the name of your Bureau granting the approval]* is informed of the changes to the situation of the foreign insurer which requested the appointment of the correspondent, which can give rise to difficulties for compensation of the victims and for the correspondent, it will inform the latter.

If this foreign insurer is no longer a member of its Bureau (e.g. bankruptcy and cases provided in the national law such as liquidation, withdrawal of licence, etc ..), the mandate of the correspondent shall

terminate as soon as the Bureau of *[Please add the name of your Bureau granting the approval]* is informed of the situation.

The Bureau may ask the correspondent to handle the ongoing files. In this case, the Bureau shall sign a new agreement with the correspondent which is then acting as being mandated by this Bureau

1.7.4. Suspension by the CoB, of the Bureau which requested the approval of the correspondent

The Bureau of *[Please add the name of your Bureau granting the approval]* will maintain the approval of the correspondents, because the suspended Bureau remains guarantor of the ongoing claims which occurred before its suspension.

The foreign insurer remains guarantor if one of its insured vehicles is liable for an accident in the country of the suspended Bureau after the date of suspension, when this country is not crossed out on the Green Card.

CHAPTER 2: RIGHTS AND OBLIGATION OF THE CORRESPONDENTS

2.1. Authorisation to settle claims in the name of the Bureau

The Bureau remains, as the last resort the guarantor of the compensation to the victims, and authorises the correspondent to handle and settle the claims under certain conditions.

The Bureau authorises the correspondent to handle and settle, in its name the claims, regarding civil liability, in respect of the use of a motor vehicle that is covered by a Green Card or which is normally based in a country of the Multilateral Agreement (MA). The authorisation is granted to the correspondent strictly under the condition that it does not accept to manage any claims regarding civil liability from foreign insurers other than those listed by the Bureau.

2.2. Cases of outsourcing

Exceptionally, and after producing a written agreement of the foreign insurer which requested its approval, it can be authorised to delegate the handling of claims to a Bureau member or to a specialised organisation established in the country, unless prevented by the national legislation of the country where the accident occurred.

The subcontractor commits itself to respect the Internal Regulations, the national law and the other rules fixed by the Bureau as well as the obligations applying to the correspondent. It must also indicate on each document and letter (correspondence, mail, fax...), the corporate name of the correspondent and the foreign insurer's Green Card code number, specifying that it settles claims on its behalf.

[Option left to the Bureau: the convention between the correspondent and the subcontractor has to be approved by the Bureau].

The correspondent remains legally and financially liable for the files managed by the subcontractor, and it guarantees the payments of the sums owed by it, in case of default of payment.

The correspondent and the subcontractor will designate a contact person for the Bureau, to resolve difficulties.

2.3. Limits of the mandate

The correspondent's authorisation to manage a file shall only take effect as from the time when there is a clear indication on the name of the foreign insurer.

This authorisation shall terminate in the event that the foreign insurer contests the insurance cover (refusal to confirm the guarantee, contractual exceptions, liquidation, withdrawal of the licence, etc). In this case, the correspondent shall promptly notify the Bureau *[Please add the name of your Bureau granting the approval]* thereof and return the entire file to the Bureau (except in the event that the Bureau provides other instructions).

The correspondent shall be reimbursed of any justified **emergency** costs *[it is left at the discretion of the Bureau whether such reimbursement should apply only if there is a valid Green Card or a confirmation that the vehicle is normally based in the country concerned]* by the Bureau to which the file is to be returned. Such costs shall not include any handling fees."

2.4. Rights of the Bureau of [Please add the name of your Bureau granting the approval]

The Bureau of *[Please add the name of your Bureau granting the approval]* alone shall have the competence to decide on any issue relating to the decision on the interpretation of the laws applicable to the accident in its country even if it refers to the law of another country. But the Bureau of *[Please add the name of your Bureau granting the approval]* may delegate to the correspondent being its representative the possibility to decide on any issue relating to the interpretation of the law applicable in the respective country.

This Bureau may, at any time take over the handling and settlement of a claim from a correspondent without any obligation to justify its decision.

2.5. Obligations of the Bureau of [Please add the name of your Bureau granting the approval]:

On the receipt of a claim arriving in the circumstances described in paragraph 1.3.3 hereabove, if a correspondent of the insurer has been approved, the Bureau shall forward the claim promptly to the correspondent.

2.6. Obligations of the correspondent

2.6.1 General commitments.

The correspondent undertakes to handle and pay in the country where it has been approved the claims for which it received authorisation.

The correspondent undertakes to obtain, as soon as possible the confirmation of the insurance cover by the insurer which requested its appointment.

If the foreign insurer does not respond to the request of the correspondent regarding the insurance in due time and in view of related legal obligations for the Bureau, the correspondent shall approach the Bureau of *[Please add the name of your Bureau granting the approval]* and ask for its assistance to receive the needed statement from this foreign insurer.

The correspondent shall handle all claims in conformity with any legal or regulatory provisions applicable in the country in which the accident took place, relating to liability, compensation of the injured parties and to compulsory motor insurance. It shall handle all claims on behalf of the Bureau which gave the approval, arising out of accidents occurring in that country involving vehicles insured by the insurance company which requested its approval.

It will refrain from asking the approval of this company for interpreting the law of the country of accident on any issue relating to that law.

When a settlement is in excess of the conditions or limits applicable pursuant to the laws on compulsory insurance against civil liability in force in the country of accident, but is covered by the insurance policy, the correspondent shall consult the foreign insurer and obtain its approval as regards the part of the claim that falls outside the scope of these conditions or limits (Pursuant to the provisions of Article 2 of Directive 90/232/EEC, the insurer's consent is not required when the responsible party is insured with an insurer that carries on its business in the European Economic Area).

The correspondent is not allowed to subject payment to the receiving of the relevant amounts from the foreign insurer.

The correspondent expressly commits itself to comply with the instructions of the Bureau of *[Please add the name of your Bureau granting the approval]* which gave the approval, either from a general standpoint or in respect of a particular file.

The correspondent commits also itself to act in accordance with the relevant legislation on data protection.

2.6.2 Offer to the injured party

For EEA countries and countries in which the national law provides for an offer of compensation to the victims

The correspondent shall either make a reasoned offer of compensation or a reasoned reply to the points made in the claim in cases where the liability is denied or has not been clearly determined or the damages have not been fully quantified to the victim, pursuant to the law applicable to the accident.

If a claim is not handled by the correspondent in conformity with the provisions of the 1st paragraph of Article 4.4 of the Internal Regulations, and that, as a result of such lack of performance, the Bureau which gave the approval is required to pay sanctions as provided by the national regulatory provisions, it shall be reimbursed by the correspondent.

The attention of the insurer and of the correspondent is drawn to the necessity to include in their agreements provisions to regulate their respective rights and obligations relating to this offer procedure.

2.6.3 Duty in case of court proceeding

The correspondent shall not receive any authorisation *ad litem* enabling it to be summoned to court or to serve a writ in its capacity as representative of the Bureau of [*Please add the name of the Bureau granting the approval*] or the foreign insurer which appointed it.

In the event that a lawsuit is taken out against the correspondent in its own name, it shall preliminarily raise the issue of its lack of capacity and shall immediately inform the Bureau which gave the approval thereof.

It is reminded that the injured party is always entitled to directly sue the foreign insurer which requested the approval of the correspondent. The latter cannot raise the unacceptability of this lawsuit if it is aware of the intention to do so by the injured party.

The correspondent may however defend the Bureau if it has been authorised to do so, defend the latter and the insured person in their respective names before the relevant courts, without however joining the proceedings or acting in its own name, in order to avoid a sentence being handed down against the correspondent itself.

The correspondent undertakes to systematically inform the Bureau of [*Please add the name of your Bureau granting the approval*] of the progress of any court proceedings.

2.6.4 Other duty information toward the Bureau.

The Bureau of [*Please add the name of your Bureau granting the approval*] shall be kept informed of the financial risks it may incur and of any difficulties it can encounter in handling claims.

In order to provide the statistical data asked by the CoB every year and in the event that any person or entity other than the Bureau transmits its claim directly to the correspondent (short cut), the latter undertakes to notify to the Bureau of ... [*Please add the name of your Bureau granting the approval*] the number of claims submitted directly to it during the year. Claims concerning material damage shall be listed separately from those concerning personal injuries, and the country in which the foreign vehicle is normally based or has its Green Card issued shall be specified.

Other statistical data asked from the correspondent: [*Please fill in accordingly if you wish to receive other statistical data: provisions on other data are left at the discretion of the Bureau*].

2.6.5 Information by the correspondent of the insurer which requested its approval:

The correspondent commits itself to inform the insurer which issued the Green Card as soon as possible of the estimated amount of the claim, with a split between material damages and bodily injuries.

If the correspondent when handling the claim receives further information which can modify its former estimate, it shall inform the foreign insurer without delay. The provision of such information shall not delay the claim settlement.

2.7. Freedom as regards conditions of reimbursement and handling fees

The correspondent may agree with the foreign insurer that requested its approval on the terms and conditions for the reimbursement of the amounts paid to the injured parties, as well as on the calculation of the handling fees. However, in the event that the Bureau is requested to act in the place of the correspondent, it shall apply the rules as provided for in Article 5 of the Internal Regulations and shall by no means be bound by the rules agreed on between the insurer and the correspondent.

The correspondent shall keep the Bureau of *[Please add the name of your Bureau granting the approval]* informed of any difficulties it encounters in obtaining the reimbursement of compensation it has paid without delay.

2.8. Lack of reimbursement of the correspondent

The correspondent may obtain the amounts it has disbursed for the foreign insurer that appointed it from the Bureau of *[Please add the name of your Bureau granting the approval]* if it is unable to obtain the reimbursement of such amounts.

The request must be addressed to the Bureau of *[Please add the name of your Bureau granting the approval]* within a maximum period of one year from the date of last payment made in favour of the injured party.

This Bureau shall reimburse the correspondent for the costs and expenses relating to the compensation of the injured parties, including a handling fee if due and the late interest in accordance with the conditions set out in Article 5 of the Internal Regulations. However, the requested handling fee and late interest shall not exceed the provisions of Articles 5.1.3 and 5.2. of the Internal Regulations. The handling fee and late interest shall be reimbursed to the correspondent by the Bureau of *[Please add the name of your Bureau granting the approval]* which sent its request for reimbursement according to Article 5, after such amounts are received from the Bureau of which the insurer is or was a Member. Before paying such costs and expenses, the Bureau of *[Please add the name of your Bureau granting the approval]* shall ensure that payment was duly made in accordance with the provisions of Article 4.4 of the Internal Regulations.

CHAPTER 3: AUDIT OF THE CORRESPONDENT

The Bureau of *[Please add the name of your Bureau granting the approval]* may analyse the performance of the correspondent's business on site in order to ensure the smooth operation of the Green Card system. A preliminary report shall be issued together with recommendations where applicable following on from this analysis and the findings of said report shall be discussed with the correspondent. In such case, the Bureau of *[Please add the name of your Bureau granting the approval]* shall not disclose any confidential and sensitive matters that it might be aware of in the course of the audit.

CHAPTER 4: SANCTIONS

In case of serious breach of its obligations pursuant to the Internal Regulations, the national law and the handling and payment agreement (when applicable), the Bureau of *[Please add the name of your Bureau granting the approval]* shall be entitled to apply the following sanctions:

[Please fill in accordingly: ...warning, financial sanctions, withdrawal of the approval...]

Should the withdrawal of the approval be applied, such decision shall be reasoned and preceded by:

- 1) A first warning granting the correspondent a deadline to remedy the defaults noted within a time limit given by the Bureau.
- 2) If the defaults noted are not corrected at the end of the set deadline, the Board [or please mention any other pertinent body] will address an official warning to the correspondent granting it a final deadline of *[Please give a time limit]* to remedy the defaults noted, unless the agreement is to be withdrawn.

The Bureau of *[Please add the name of your Bureau granting the approval]* will reserve its right to inform the Bureau and the insurer which requested the approval of the situation and, if needed, the supervisory authorities.

HANDLING AND PAYMENT MODEL AGREEMENT*

*(can be modified and adapted in accordance with the Bureau's own situation)

BETWEEN THE BUREAU OF *[Please add the name of the Bureau granting the approval]*

AND *[Please add the name of the correspondent]*
HEREINAFTER REFERRED TO AS THE CORRESPONDENT³,

The following is agreed:

Article 1

1.1 Authorisation given to the correspondent

The Bureau of *[Please add the name of the Bureau granting the approval]* is responsible for managing and settling claims involving the civil liability in respect of the use of a motor vehicle in *[Please add the country concerned]* that is covered by an international motor insurance certificate (Green Card or delivered for a vehicle which is normally based in *[Please fill in accordingly]*) pursuant to the Internal Regulations of the Council of Bureaux (called Internal Regulations hereafter), the provisions of which are binding on the signatories of such regulations.

The Bureau of *[Please add the name of the Bureau granting the approval]* authorises *[the correspondent]* to handle and settle, in its name and under the conditions set out below, claims regarding civil liability in respect of the use of motor vehicles covered by insurance by the foreign insurers listed in a rider hereto that have applied for the services of a correspondent.

This authorisation is granted to the correspondent under the strict condition that it does not accept to manage any claims regarding civil liability from foreign insurers other than those listed in the rider hereto or referred on the website without the consent of the Bureau of *[Please add the name of the Bureau granting the approval]*.

[1.2 Cases of outsourcing: wording to be used unless prevented by the national legislation]

Exceptionally, and after having produced a written agreement of the foreign insurer which requested its approval, the correspondent shall be authorised to delegate the claims handling to a Bureau member or to a specialised organisation established in [Please add the country concerned] (so-called the subcontractor hereafter).

In the convention signed with the correspondent, the subcontractor shall commit itself to respect the Internal Regulations, the national law and the present Agreement as well as the obligations applying to the correspondent. It shall also indicate on each document and letter (correspondence, e-mail, fax, etc.....), the corporate name of the correspondent and the foreign insurer's Green Card code, specifying that it settles claims on its behalf.

³ Correspondent shall be understood in the meaning of Article 4 of the Internal Regulations.

The correspondent remains legally and financially liable of the files management by the subcontractor, and guarantees the payments of the sums owed by it, in case of default of payment.

The correspondent and the subcontractor will designate a contact person in each entity to solve possible difficulties].

Article 2

Scope of the mandate given to the correspondent

It is expressly specified that the authorisation granted to the correspondent exclusively concerns claims resulting of an accident caused by a vehicle covered by MTPL insurance of the insurance companies which requested its approval.

The correspondent may be informed of these claims *inter alia* by the Bureau of *[Please add the name of the Bureau granting the approval]* the foreign insured person, his/her insurer, the injured party or one of its representatives.

Article 3

Limit of the mandate

The correspondent's authorisation to manage a file shall only take effect as from the time when the identity of the foreign insurer has been established by any means whatsoever.

This authorisation shall terminate in the event that the foreign insurer contests the insurance cover.

In these cases, the correspondent shall promptly notify the Bureau of *[Please add the name of the Bureau granting the approval]* thereof and return the entire file to this Bureau (except in the event that the Bureau of *[Please add the name of the Bureau granting the approval]* provides other instructions).

The correspondent shall be reimbursed of any justified **emergency** costs *[it is left at the discretion of the Bureau whether such reimbursement should apply only if there is a valid Green Card or a confirmation that the vehicle is normally based in the country concerned]* by the Bureau to which the file is to be returned. Such costs shall not include any handling fees."

Article 4

Rights of the Bureau of *[Please add the name of the Bureau granting the approval]*

4.1. The Bureau of *[Please add the name of the Bureau granting the approval]* shall have solely the competence to decide on any issue relating to the interpretation of the laws applicable in *[Please add the country concerned]*, even if it refers to the laws of a foreign country. The Bureau of..... *[Please add the name of the Bureau granting the approval]* delegates to the correspondent being its representative the possibility to decide on any issue relating to the interpretation of the law applicable in..... *[Please add the country concerned]*

4.2. The Bureau of..... *[Please add the name of the Bureau granting the approval]* may, at any time take over the handling and settlement of a claim from a correspondent without any obligation to justify its decision.

Article 5

The obligations of the correspondent for handlings claims

5.1. General commitments

5.1.1 The correspondent undertakes to handle and to pay in *[Please add the country concerned]* the claims for which it has received an authorisation.

5.1.2 The correspondent undertakes to obtain, as soon as possible the confirmation of the insurance cover by the insurer which requested its appointment.

5.1.3 The correspondent shall handle all claims in conformity with any legal or regulatory provisions applicable in the country in which the accident took place, relating to the liability, compensation of the injured parties and the compulsory motor insurance, in the name of the Bureau of..... *[Please add the name of the Bureau granting the approval]* arising out of accidents occurring in that country involving vehicles insured by the insurance company which requested its approval. The correspondent shall refrain from asking the approval of this company for interpreting the law of the accident on any issue relating to the law applicable in the country of the accident.

5.1.4 When a settlement is in excess of the conditions or limits applicable pursuant to the laws on compulsory motor insurance against civil liability in force in *[Please add the country concerned]*, but is covered by the insurance policy, the correspondent shall consult the foreign insurer and obtain its approval as regards the part of the claim that falls outside the scope of these conditions or limits. (Pursuant to the provisions of Article 2 of Directive 90/232/EEC, the insurer's consent is not required when the responsible party is insured with an insurer that carries on its business in the European Economic Area.).

5.1.5. It is not allowed to the correspondent to ask for the payment to be subject to the receipt of the relevant amounts from the foreign insurer.

5.1.6 The correspondent expressly commits itself to comply with the instructions of the Bureau of *[Please add the name of the Bureau granting the approval]*, either from a general standpoint or in respect of a particular file.

5.1.7 The correspondent commits also itself to act in accordance with the relevant legislation on data protection.

5.2 Offer to the injured party

For EEA countries and other countries in which the national law provides for an offer of compensation to the victims.

Besides the model agreement, the attention of the foreign insurers should be drawn on the necessity to include provisions regulating the procedure of the offer in their agreements with their correspondents.

5.2.1. Pursuant to *[Please add the relevant reference to the national law]*, the correspondent is required either to make a reasoned offer to the victim in cases where liability is not contested and the damages have been quantified or to provide a reasoned reply to the victim to the points made in the claim in cases where liability is denied or has not been clearly determined or the damages have not been fully quantified. In that context, the correspondent shall apply its national law.

5.2.2. If a claim is not handled by the correspondent in conformity with the provisions of the 1st paragraph of Article 4.4 of the Internal Regulations, and due to this lack of performance, the Bureau of *[Please add the name of the Bureau granting the approval]* is required to pay sanctions as provided for by the *[Please add the correspondent's country]* regulatory provisions, it shall be reimbursed by the correspondent for the amount paid. ***(Decision n° 5 of 2005 GA: if the Bureau is not reimbursed by the correspondent, the Bureau which approved the correspondent shall be reimbursed directly by the bureau which requested the approval).***

5.3 Duty in case of court proceeding

5.3.1 Correspondent's duty

The correspondent shall not receive any authorisation ad litem enabling it to be summoned to court or to serve a writ in its capacity as representative of the Bureau of *[Please add the name of the Bureau granting the approval]* or the foreign insurer which appointed it. In the event that a writ is served, it shall preliminarily raise the issue of its lack of capacity and shall immediately inform the Bureau of *[Please add the name of the Bureau granting the approval]* thereof.

Since the injured party is always entitled to sue directly the foreign insurer which requested the approval of the correspondent, the latter shall not raise the unacceptability of the lawsuit, if it is aware of the intention to do so by the injured party.

The correspondent may however defend the Bureau of *[Please add the name of the Bureau granting the approval]* if it was authorised to do so, defend the latter and the insured person on their respective behalf before the relevant court(s), without joining the proceedings or acting in its own behalf, in order to avoid a judgment being handed down to the correspondent itself.

5.3.2 Information to the Bureau on court proceedings

The correspondent undertakes to systematically inform the Bureau of *[Please add the name of the Bureau granting the approval]* about the progress of any court proceedings.

The correspondent shall not take any legal action without the prior consent of the Bureau of..... *[Please add the name of the Bureau granting the approval]*,

1. when a dispute relates to or is likely to relate to the Green Card system;
2. when a dispute is brought before the Supreme Court.

Nonetheless, in case of an emergency, the correspondent shall take all the requisite protective measures.

5.4 Other information to the Bureau

The Bureau of *[Please add the name of the Bureau granting the approval]* shall be kept informed about any financial risks it may incur.

The correspondent shall inform the Bureau of *[Please add the name of the Bureau granting the approval]* of any difficulties that it can encounter when handling claims.

5.5 Statistical data asked from the correspondent *[provision left at the Bureau's discretion]*

In order to provide the statistical data asked by the CoB every year and in the event that any person or entity other than the Bureau transmits its claim directly to the correspondent (short cut), the latter undertakes to notify to the Bureau of ... *[Please add the name of your Bureau granting the approval]* the number of claims submitted directly to it during the year. Claims concerning material damage shall be listed separately from those concerning personal injuries, and the country in which the foreign vehicle is normally based or has its Green Card issued shall be specified.

Other statistical data asked from the correspondent: *[Please fill in accordingly if you wish to receive other statistical data: provisions on other data are left at the discretion of the Bureau].*

The Bureau of *[Please add the name of the Bureau granting the approval]* commits itself not to disclose any other statistical data than the consolidated ones.

Article 6

Information of the correspondent to the insurer

The correspondent commits itself to inform as soon as possible the insurer which issued the Green Card of the estimated amount of the claim with a split between material damages and bodily injuries.

If the correspondent when handling the claim receives further information which can modify its former estimate, it shall inform the foreign insurer without delay. The provision of such information shall not delay the claim settlement.

Article 7

7.1. Freedom for conditions of reimbursement and handling fees.

Subject to the provisions of Article 4 of the Internal Regulations, the correspondent may agree with the foreign insurer at the latter's request on the terms and conditions of reimbursement of the amounts paid to the injured parties at its own discretion, as well as on the calculation of the handling fees. However, in the event that the Bureau of *[Please add the name of the Bureau granting the approval]* is requested to act in place of the correspondent, it shall apply the rules as provided for in Article 5 of the Internal Regulations and shall by no means be bound by the rules agreed on between the insurer and the correspondent.

The correspondent shall keep the Bureau of *[Please add the name of the Bureau granting the approval]* informed of any difficulties it encounters in obtaining the reimbursement of the compensation it has paid without delay.

7.2 Lack of reimbursement of the correspondents

Pursuant to the provisions of Article 4.7 of the Internal Regulations, the correspondent may obtain the amounts it has disbursed for the foreign insurer which appointed it from the Bureau of *[Please add the name of the Bureau granting the approval]* if it is unable to obtain the reimbursement of these amounts. This request should be addressed to the Bureau of *[Please add the name of the Bureau granting the approval]* within a maximum period of one year from the date of the last payment made in favour of the injured party.

The Bureau of *[Please add the name of the Bureau granting the approval]* shall reimburse the correspondent for the costs and expenses relating to the compensation of the injured parties including a handling fee if due and the late interest in accordance with the conditions set out in Article 5 of the Internal Regulations. However, the requested handling fee and late interest shall not exceed the provisions of Articles 5.1.3 and 5.2. of the Internal Regulations. The handling fee and late interest shall be reimbursed to the correspondent by the Bureau of *[Please add the name of your Bureau granting the approval]* which sent its request for reimbursement according to Article 5, after such amounts are received from the Bureau of which the insurer is or was a Member of. Before paying such costs and expenses, the Bureau of *[Please add the name of the Bureau granting the approval]* shall ensure that payment was duly made in accordance with the provisions of Article 4.4 of the Internal Regulations.

Article 8

Audits of the Correspondents

The Bureau of *[Please add the name of the Bureau granting the approval]* may analyse the performance of the correspondent's business on site in order to ensure the smooth management of the Green Card system. Following this analysis, a preliminary report shall be issued together with recommendations where applicable, and the findings of the said report shall be discussed with the correspondent. In such case, the Bureau of *[Please add the name of the Bureau granting the approval]* shall not disclose any confidential and sensitive matters that it might be aware of in the course of the audit.

Article 9

Sanctions

In the event of a serious breach by the correspondent of its obligations pursuant to the Internal Regulations, the national law and the present agreement, the Bureau of *[Please add the name of the Bureau granting the approval]* shall be entitled to withdraw its approval.

The decision to withdraw the approval shall be reasoned and preceded by

1. a warning granting the correspondent a deadline to remedy the defaults noted within a time limit given by the Bureau of *[Please add the name of the Bureau granting the approval]*;
2. If the defaults noted are not corrected by the deadline set, the Bureau / the Board *[Or please add any other relevant body]* shall address an official warning to the correspondent granting a final deadline of..... *[Please add the time limit]* to remedy to the defaults noted, unless the agreement would be withdrawn.

The Bureau of *[Please add the name of the Bureau granting the approval]* reserves its right to inform the other Bureau and the insurer which requested the approval of the situation and, if required so, the Supervisory Authority.

Article 10

Withdrawal of the approval

The Bureau of *[Please add the name of the Bureau granting the approval]* shall immediately notify the Bureau which submitted the request for approval and specify the date on which its approval shall cease to have effect. The correspondent commits itself to comply with the Bureau's instructions relating to the pending files.

The correspondent may not seek for the payment of any indemnity following the termination of its authorisation.

Article 11

Termination of the Agreement

This agreement shall remain in force for as long as each of the foreign insurers listed in a rider hereto wishes to appoint t..... *[Please add the name of the correspondent]* which signed the present agreement.

In the event that the designated correspondent wishes to terminate its relationship with the insurer which requested its approval at its own initiative, it shall inform the Bureau of *[Please add the name of the Bureau granting the approval]* thereof, which will send the request to the Bureau concerned. The Bureau of *[Please add the name of the Bureau granting the approval]* shall set the date of termination of the authorisation. The correspondent will continue to handle the pending files, unless another solution is agreed by the Bureau of *[Please add the name of the Bureau granting the approval]*.

Done in two originals on

For the correspondent

For the Bureau of

[respective signatures to be added]

RECOMMENDATIONS FOR CONDITIONS ACCORDING TO WHICH A CORRESPONDENT CAN OUTSOURCE CLAIMS HANDLING

[Wording proposal to be used for outsourcing unless prevented by the national legislation

1. The Bureau which granted the approval to the correspondent must be preliminary informed of the outsourcing.
2. The foreign insurer asking for the approval of the correspondent shall give a written agreement which allows for the outsourcing, to the Bureau granting approval of the correspondent.
3. The correspondent shall remain legally and financially liable for the claims handling.
4. The agreement signed between the outsourcing entity and the correspondent shall respect the obligations applying to the correspondent.
5. The corporate name of the correspondent, the name of the foreign insurer and its Green Card Code number shall be mentioned on all correspondence coming from the entity proposed for the outsourcing. It should be explained that the correspondent delegated the handling of claims to this entity.
6. The correspondent and the subcontractor shall designate a contact person for the Bureau which granted the approval to the correspondent to solve possible difficulties (such as complaints from the injured parties, etc.). The injured party shall be able to contact directly the correspondent in its own country].