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**HARMONIZATION OF REQUIREMENTS CONCERNING INTERNATIONAL ROAD
TRANSPORT AND FACILITATION
OF ITS OPERATION**

International Motor Insurance System (Green Card)

Report of the President of the Council of Bureaux

This year the General Assembly of the Council of Bureaux was held on 30 and 31 May in Crete. The main issues addressed by the Council during the last 12 months are discussed below:

1. Cooperation between the UNECE and the Council of Bureaux

The Transport Division of the Economic Commission for Europe and the CoB are continuing to cooperate on strategic issues of common interest. The UNECE in cooperation with UNMIK and CoB is actively involved in seeking a solution to the provision of international motor insurance for Kosovo motorists wishing to travel abroad. In addition, the CoB participated at the meeting of experts in Geneva in June 2002 on the Transport of Dangerous Goods. Another area of common interest is to improve international insurance liability cover across the whole UNECE territory. It is expected that further areas of cooperation will be developed in the near future.

2. CoB Activities relating to the European Union Motor Insurance Directives

The European Commission is presently working on a future 5th Motor Insurance Directive. The article of the draft 5th Directive dealing with an extension of the reasoned offer procedure to all claims for accidents occurring in Member States and to the handling of such claims by claims

representatives nominated by the insurers is of great importance to the Green Card system. Discussion of the impact of the proposal on bureaux activities and in particular on the role of a correspondent has taken place in the competent CoB working groups.

3. New CoB Inter-Bureaux Agreement

In order to modernise and improve the two principal inter-bureaux agreements – the Uniform Agreement and the Multilateral Guarantee Agreement – a CoB working group has developed a new agreement unifying the main principles of the two agreements. The General Assembly in Crete adopted the text of this agreement, the Internal Regulations, which will be implemented from 1 July 2003. The National Insurers' Bureaux of the Member States of the European Economic Area and other Associate States signed the multilateral part of the new agreement at a special meeting at the General Assembly in Crete and individual bureaux will sign the bilateral part of the Internal Regulations with other bureaux over the next several months.

4. Membership News

Yugoslavia

The bureau of Yugoslavia was suspended from the Council of Bureaux between 1 January 2000 and 1 November 2001, due to problems resulting from its incomplete payment of debts to other bureaux. Following a satisfactory resolution of these issues Yugoslavia was reinstated as a full member of the Council of Bureaux and since November it has re-signed the Uniform Agreement with 38 other bureaux.

The Yugoslav bureau is continuing the process of the settlement of the debts with other bureaux on a bilateral basis. The outstanding issue is the payment of debts of Kosovo insurers, for which the bureau of Yugoslavia has accepted its responsibility. The bureau has joined the monitoring process to ensure the smooth reintegration of the bureau into the Green Card system and to avoid a repetition of past problems with the reimbursement of debts.

The changing boundaries of the former Republic of Yugoslavia are reflected in the new model of the Green Card, which specifies that cover provided under Green Cards issued for Yugoslavia is restricted to those geographical parts of Yugoslavia that are under the control of the Government of the Federal Republic of Yugoslavia.

Kosovo

Until recently the cross border movement of road traffic in Kosovo had changed little since the termination of the conflict three years ago. As UNMIK registration plates issued for Kosovo vehicles are recognised currently by only eight European States there are few foreign countries that Kosovo motorists are able to visit. For foreign motorists entering Kosovo, UNMIK authorised Kosovo insurers continue to provide frontier insurance.

To break the stalemate, the Kosovo authorities and insurers have proposed that the Yugoslav authorities recognise the UN registration plates for Kosovo and the use of the international letters KS (or similar acceptable letters) as well as a special motor insurance 'zone'

covering Kosovo and Yugoslavia to be extended in the future to other regional countries where insurance policies issued under the authority of the insurance regulators in each territory are mutually recognised. It is understood that both parties have recently reached an agreement on the proposals.

If implemented the proposals will facilitate the cross border movement of Kosovo vehicles and the provision of Green Cards to Kosovo motorists. This will enable the Council of Bureaux to activate an earlier decision to authorise any foreign bureau that wishes to do so to provide its Green Cards to Kosovo insurers for Kosovo motorists travelling abroad and to support the establishment of a claims handling organization in Kosovo to deal with the claims of motor accident victims in Kosovo against foreign motorists carrying Green Cards valid for the territory.

UNECE is actively involved in facilitating the international recognition of the UNMIK registration plates and in changing the Green Card to include international letters for Kosovo territory.

Latvia

The bureau of Latvia has been a Transitional Member of the Council of Bureaux since December 1998. On the basis of its performance the General Assembly approved the activation of the bureau of Latvia as a full member of the Council of Bureaux on 1 January 2003 providing that it maintains its current performance until then.

Membership of Belarus

The bureau of Belarus was admitted by the General Assembly as a Transitional Member of the Council of Bureaux as from 1 July 2002. The new bureau will be activated on 1 January 2003 subject to confirmation that all necessary administrative steps have been completed.

Future possible membership of Russia

The compulsory motor third party liability insurance law has recently been passed by the Russian Parliament and signed into law by the Russian President. The law will come into force in the middle of next year. The Council of Bureaux expects the first official contacts from a future Russian bureau in early autumn this year to start the process of fulfilling the conditions for CoB membership.

5. Chart of Inter-bureaux Agreements

An updated table of the bilateral agreement signed between the 43 member bureaux of the Council of Bureaux will be made available to the Working Party.
