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Item 4 (j) of the provisional agenda

**REVISION OF THE CONSOLIDATED RESOLUTION
ON ROAD TRAFFIC (R.E.1)**

Motor car insurance

Note by the secretariat¹

1. The secretariat transmits herewith proposals on motor car insurance submitted by the delegation of the Russian Federation further to the announcement made by the Chairman of WP.1 at the Working Party's fifty-third session (see document ECE/TRANS/WP.1/113, para. 17).
2. Once the proposals have been adopted by the Working Party, they will be incorporated in Chapter 2 of the revised R.E.1.

¹ This document was submitted late for technical reasons.

R.E.1

Chapter 2 Methods of influencing behaviour on the road

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2.5 Compulsory civil liability insurance for vehicle owners (exertion of economic pressure on offenders)

2.5.1 Overview of the problem

Experience in a number of countries clearly shows that the most effective way to influence road traffic offenders is holistically. This is achieved by combining criminal and administrative sanctions with economic measures.

Vehicle owner civil liability insurance is widely employed for this purpose. The use of this type of insurance makes it possible: first, to guarantee compensation for harm caused to the lives, health or property of road traffic accident victims; and, second, to exert economic pressure on drivers guilty of causing harm, by changing the cost of their insurance cover.

In addition to voluntary vehicle owner civil liability insurance, many States have established in their legislation requirements concerning the duty of vehicle owners to insure their civil liability in case they cause harm to third parties while operating their motor vehicle.

The level of compulsory vehicle owner civil liability insurance required may vary, but the basic aim of these requirements is to ensure that the interests of participants in road traffic are protected and to compel drivers to observe the established rules.

An important means of exerting economic pressure on vehicle owners when they insure their civil liability is the system of bonus-malus coefficients used by insurance companies in calculating the cost of insurance contracts.

These coefficients reduce or increase the amount of the premium which the vehicle owner is obliged to pay on concluding an insurance contract in relation to the basic insurance rate.

The reduction coefficient (bonus) is applied if the driver has not caused a road traffic accident during the period of validity of the previous insurance contract; in the opposite case, the increase coefficient (malus) is applied.

An analysis of the experience of using the bonus-malus system shows that it has a positive influence on driver behaviour; this is reflected in more careful driving and observance of road traffic rules. The socio-economic impact is evident in the reduced number of road traffic accidents and of persons injured or killed.

On this basis, a number of countries now take into account not only a driver's accident history (road traffic accidents caused by the driver) but also his or her history of serious road traffic offences.

By taking into account the commission of serious road traffic offences - the main cause of road traffic accidents - it is possible to assess appropriately the degree of risk of a driver's getting into an accident and his or her level of professional training.

These offences include, first and foremost, driving while intoxicated, significantly exceeding the established speed limit, failing to stop at a red light and certain other offences.

It should be kept in mind that taking the history of offences into account in this manner can have a real impact on offenders only if there is a national database of drivers who have committed serious road traffic offences. Maximum effectiveness is achieved through the use of the available information by insurance companies in calculating the cost of insurance contracts.

At the same time, the insurance companies provide data on driver-caused road traffic accidents which have not been recorded by traffic police officers but for which insurance compensation has been paid.

Another economic measure applied to offenders is as follows: when a road traffic accident occurs owing to a serious road traffic offence (driving while intoxicated or without a licence for the given vehicle, and other offences), the insurance company has the right to file a recourse action against the guilty party.

This means that, after compensating the harm caused to the victim, the insurance company is entitled to file a claim against the person responsible for the road traffic accident for compensation for the expenses incurred.

2.5.2 Recommendations

In the light of the foregoing, the following measures are recommended:

1. Establish in national legislation a requirement for vehicle owners to obtain compulsory civil liability insurance in case they cause harm to the lives, health or property of other participants in road traffic.
2. Establish a national information system on drivers who have committed serious road traffic offences, including:
 - Driving a vehicle while intoxicated by alcohol and/or narcotic drugs, or driving under the influence of medication;

- Significantly exceeding the established speed limit;
 - Failing to stop at a red light;
 - Serious breaches of the rules on driving through railway level crossings;
 - Driving on the wrong side of the road.
3. Provide for insurance companies to apply to the national information system to obtain data on insurance events and receive information for determining the amount of premiums for civil liability insurance contracts taking into account the commission of serious road traffic offences by the driver of the vehicle concerned.
