



Position Paper on MID (VNUK) from the Motorsport Industry Association (MIA)

MIA, The Apex on 10th Street, Stoneleigh Park, Kenilworth, Warwickshire, CV8 2LG, UK

27/03/19

“ on the proposal for a Directive of the European Parliament and of the Council amending Directive 2009/103/EC of the European Parliament and the Council of 16 September 2009 relating to insurance against civil liability in respect of the use of motor vehicles, and the enforcement of the obligation to ensure against such liability (COM (2018)0336 – C8-0211/2018 – 2018/0168(COD))”

1. Introduction

In 2019, members of the Council of the EU will vote on proposed amendments to the EC's MID proposal. This Position Paper provides background information relating to the potential impact of this proposal, if unamended, on the European motorsport industry and the support of the MIA in regard to amendments being voted upon.

The Motorsport Industry Association (MIA) is the only industry body representing motorsport businesses in Europe. Its corporate membership embraces 300 employers who jointly employ some 10,000 people across the EU in the business of motorsport.

The MIA and its members respect the overall aim of the EU Motor Insurance Directive (MID) which is to harmonise the requirement for compulsory motor insurance across the EU, in accord with the Union's 'free movement' objectives which allow vehicles to be driven, freely, across internal borders without facing border checks on insurance papers.

We support the amendments adopted by the European Parliament on 13th February 2019.

2. Threat to employment from the current EC proposal for a new Motor Insurance Directive

The wording of the European Commission's (EC) proposed SCOPE in the new MID dated May 2017, clearly threatens the future employment over 100,000 people in the EU motorsport industry.

The proposed scope is too wide. If implemented it will have a disastrous effect on the EU motorsport industry, in that it requires third-party liability (TPL) insurance to cover *“any use of a vehicle, consistent with its normal function as a means of transport, irrespective of the terrain on which the motor vehicle is used and whether it is stationary or in motion”*.

The concern of the substantial European businesses and their many employees which we represent, is that this proposal requires **compulsory** third-party liability motor insurance (covering both property damage and personal injury) for all motorsport vehicles in use. To include, for example, a racing car or motorcycle whilst on a circuit, a rally car on a rally and all other forms of 'motorsport' including track days, historic time trials, hill climbs etc.

Insurance Market specialists who underwrite and provide the majority of insurance for motorsport across the EU have confirmed to the EC, and the MIA, that no effective market can, or will, write insurance to meet the Directive-specified levels of liability (i.e. covering both property damage and personal injury to 'motorsport' participants).

As no insurance cover as proposed by the new Directive, will be available for motorsport activities, then. if implemented without change, this will be directly responsible for the loss of hundreds of thousands of motorsport-related jobs, over € 25 billion in motorsport sales and investment - and a sport enjoyed by millions of Europeans for generations will cease.

We have, since 2016, pro-actively brought these likely consequences to the attention of the EC. Together with over 770 organisations and more than 2,000 individuals we replied to the EC's Consultation (July-October 2017) in response to the REFIT review of the 2009 MID. All expressed their collective concern about the scope of the proposed text and the insurance industry made it clear that 'no insurance complying with the requirements would ever be available'.

The EC in ignoring these 3,000+ responses said “*certain Member States already impose a motor third party liability insurance requirement in line with the case law, without excessively high insurance premiums, including for motor sports events*” (extract from the EC proposal).

We believe this statement to be untrue, misleading and potentially damaging. For example, the French Fédération Française de l'Assurance (FFA) stated that, currently, the Civil Liability law in France excludes vehicle-to-vehicle damage caused during sporting events due to their “Acceptance of Risks” rule.

This demonstrates that, contrary to the statement of the EC, current French legislation does NOT comply with the Directive given following the VNUK judgment of 2014. In fact, currently, NO EU Member State complies with the VNUK judgment.

As no compliant insurance cover will be made available then, by implementing the current MID proposal across all EU Member States, no motorsport activities, at any level of any nature, will continue.

3. New proposal adopted by the European Parliament on 13th February 2019

On 13th February 2019, members of the EU Parliament voted to adopt amendments, supported by the Motorsport Industry Association (MIA), which exclude motorsport from compulsory motor insurance as required by the new EU Motor Insurance Directive (MID).

The EU Parliament’s resolution for a new MID, as voted by MEPs, states that ‘use of a vehicle’ means “any use of a vehicle in traffic that is consistent with the vehicle's function as a means of transport at the time of the accident, irrespective of the vehicle's characteristics and irrespective of the terrain on which the motor vehicle is used and of whether it is stationary or in motion.” The resolution adds “The use of a vehicle in a closed area, where no access is possible by the general public, should not be considered to be use of a vehicle in traffic.” This means no vehicles used on track for motorsport competition need to hold motor insurance cover.

The amended resolution also specifically states “It is (also) appropriate to exclude, from the scope of Directive 2009/103/EC, vehicles intended exclusively for motorsports, as these vehicles are generally covered by other forms of liability insurance and not subject to compulsory motor insurance when they are solely used for a competition.”

The MIA and its members welcome EU Parliament’s decision to exclude motorsport from the scope of the new MID, hence saving hundreds of thousands of Motorsport companies and a Sport that is enjoyed by millions.

4. Conclusion

The original Draft MID Proposal, if it were adopted in its current form without these amendments, would directly bring an immediate end to a sport enjoyed by millions since the first car was built, the loss of hundreds of thousands of motorsport-related jobs and billions of Euros in motorsport sales and investment across the EU.

The MIA and its members request members of the Council of the EU to support the amendments proposed by the European Parliament on 13th February 2019, which would allow the EU motorsport industry, employment and sport to continue in future.

Thank you

Chris Aylett
CEO - Motorsport Industry Association
The Apex on 10th Street,
Stoneleigh Park,
Kenilworth
Warwickshire
CV8 2LG
UK
Tel: +44 (0) 2476 692 600
www.the-mia.com

Email: chris.aylett@the-mia.com