

## **LAW AMENDING THE MOTOR VEHICLES (THIRD PARTY LIABILITY INSURANCE) LAW OF 2000**

The House of Representatives votes as follows:

*Short Title.*

1. This Law may be cited as the Motor Vehicles (Third Party Liability Insurance) (Amendment) Law of 2003 and shall be read together with the Motor Vehicles (Third Party Liability Insurance) Law of 2000 (to be referred to as the "basic law") and the basic law and this law may be referred to collectively as the Motor Vehicles (Third Party Liability Insurance) laws of 2000 and 2003.

*Amendment  
of section 2  
of the basic  
Law.*

2. Section 2 of the basic law is amended by adding in the appropriate alphabetical order the following new definition:

*35 (1) of  
2002.*

"Superintendent of Insurance" means the public officer exercising, according to the provisions of section 4 of the Insurance Business and Other Related Issues Law of 2002, the duties of Superintendent of Insurance."

*Amendment 3.  
of section 3.  
of the basic  
law.*

3. Subsection (2) of section 3 of the basic law is amended by adding thereto the following new paragraph (f):

"(f) in the areas which the Superintendent of Insurance, in a notification published in the Official Gazette of the Republic may determine."

**LAW AMENDING THE MOTOR VEHICLES  
(THIRD PARTY LIABILITY INSURANCE LAWS OF 2000 AND 2003)**

For the purpose of harmonisation with Directive 2000/26 / EC of the European Parliament and of the Council of 16 May 2000 on the approximation of the legislation of Member States relating to insurance against civil liability in respect of the use of motor vehicles and amending Directives 73/239 / EEC and 88/357 / EEC of the Council (fourth Motor Insurance Directive) (EEL 181 of 20.7.2002, p. 65),

The House of Representatives votes as follows:

*Short title.* 1. This Law may be cited as the Motor Vehicles (Third Party Liability Insurance) (Amendment) (No. 2) Law of 2003 and shall be read together with the Motor Vehicles (Third Party Liability Insurance) Laws of 2000 and 2003 (to be referred to as the "basic law") and the basic law and this law may be referred to collectively as the Motor Vehicles (Third Party Liability Insurance) Laws of 2000 and 2003.

*Amendment of section 2(a) of the basic Law.* 2. Section 2 of the Basic Law is amended - of section 2(a) by adding, in the appropriate alphabetical order, the following of the basic new terms and their interpretation:

*Law.*

«<claims representative > means the person appointed by the insurer for the management and settlement of claims in the cases referred to in section 16B;

<Guarantee fund> means the fund established by Article 1 of Directive 84/5 / EEC of the Council of 30 December 1983 on the approximation of the Laws of Member States relating to insurance against civil liability in respect of the use motor vehicles and which, as far as the Republic is concerned is the Motor Insurers' Fund and in respect of a country which is not a member state of the European Union or the European Economic Area, any fund set up for this purpose;

<Unified Agreement>, known internationally as «Internal Regulations») means the Agreement of the Council of Bureaux Members, which in accordance with section 2A integrates and replaces, as from 1 July 2003, the Unified Agreement and the Multilateral

Guarantee Agreement and which is published at any given time in the Government Gazette of the Republic;

<injured party> means the person, who has suffered injury or damage to his property, the same, or if he has died, the rightful heir, due to an accident in the Republic, and whose habitual residence is in a member state of the European Union or the European Economic Area and, as from the date of accession of Cyprus to the European Union, in any other Member State of the European Union or the European Economic Area;

<Cyprus Information Center> means the information center defined in section 16C of this Law;

<Cyprus Compensation Organisation> means the organisation defined in section 16E of this Law”;

(b) by deleting the term "insurer" and its interpretation and their replacement with the following term and interpretation

35 (I) of  
2002  
...of 2003.

«<Insurer> means an insurance undertaking or insurance within the meaning of the Insurance Business and Other Related Issues Law of 2002 and 2003 or any law amending or replacing them, which carries out business of third party liability insurance in respect of motor vehicles'.

3. The basic law is amended by inserting immediately after section 2 the following new section 2A:

*"Amendment* Where in the text of this Law the terms < Uniform of the basic Agreement > and < Multilateral Guarantee Law. Agreement >, are used together or separately, they are replaced as from by 1 July 2003, by the term < Unified Agreement > which shall apply to the extent applicable in each particular case."

*Amendment of Section 4 of the Basic Law is amended-  
section 4*

*of the basic Law* (a) By replacing paragraph (b) of subsection 3 with the following paragraph:

"(b) liability in respect of death or personal injury as a result and during the employment of a person employed by the insured:".

(b) by adding, immediately after paragraph (b) of subsection (3), the following proviso:

"Provided that the insurance policy shall cover liability in respect of death or personal injury, or damage to property, of any person who is transported in or on a motor vehicle, boards a vehicle or alights from it, and arising as a result of and during such employment and as a result of the use of the motor vehicle on the road. "

*Addition of new sections.*

5. The basic Law is amended by adding thereto, after section 16 the following new sections 16A, 16B, 16C, 16D, 16E and 16F:

*Direct enforceable right against the insurer Cap.149* 16A-(1) Notwithstanding anything provided for in the Contract Law and in the Civil Wrongs Law, the injured party subject to subsections (2) and (3) acquires a direct and enforceable right also against the insurer of the person responsible for the accident, who in this case is subrogated in place of the insured towards the injured party without the injured party having to turn also against the insured, when the claim concerns an enforceable right created in the Republic for the benefit of the injured party from an accident caused by a motor vehicle having as its place of usual parking in a member state of the European Union or the European Economic Area:

*54 of 1978*  
*156 of 1985*  
*41 of 1989*

Provided that in case of termination of the insurance policy by the insurer, then the insured shall take part in judicial proceedings:

Provided further that if the Republic of Cyprus accedes to the European Union and and from the date of its accession, the provisions of this subsection shall only apply where the motor vehicle which caused the accident, has as place of usual parking in the Republic.

(2) In the case of subsection (1) the insurer can raise against an injured party all defences available against the insured.

(3) The appointment of a claims representative shall not preclude the injured party or his insurer to institute proceedings directly against the person responsible for the accident or his insurer under subsection (1).

(4) A court judgment secured under this section shall be regarded as a judgment for the purposes of this Law.

(5) The provisions of sections 14, 15 and 16 shall apply, all things being equal, also in the case referred to in subsection (1).

*Procedure for the  
when payment of  
compensation compensation.  
the person  
claims*

16B (1) Within three months from the date the victim presented his claim for either directly to the insurer or to responsible for the accident or the representative-

(a) The insurer of the person responsible for the accident or the claims representative shall make a reasoned offer of compensation in cases where liability is not contested and the compensation for the death or personal injury or the damage done to property have been valued or

(b) the insurer to whom the claim for compensation was made or its claim representative shall give a reasoned reply to the points raised in the claim if the liability is contested or has not yet been clearly established or if the compensation for death or personal injury or for damage to property has not been fully calculated:

Provided that the insurer may invoke against the injured party all rights and defences available to it against the insured.

(2) Notwithstanding any criminal sanctions provided for in this Law, in case of violation of the provisions of subsection (1), the Superintendent shall have power impose an administrative fine of up to two thousand pounds.

(3) If the offer to settle the claim is not made within three months, as provided for in subsection (1), interest shall be paid, which is determined by the current legislation on the amount of compensation which is offered by the insurer or awarded by the Court to the injured party.

*Cyprus Information Centre*

16C- (1) An information centre is established, to be referred to as Cyprus Information Centre, the operation of which is entrusted to the Department of Road Transport of the Ministry of Communications and Works of the Republic.

2) The Cyprus Information Centre is responsible for -

(a) Keeping a register containing all the information specified by a decision of the Minister; the decision of the Minister is published in the Government Gazette;

(b) Providing assistance to beneficiaries, in order to receive the information specified in the Minister's decision.

(3) The decision of the Minister under paragraph (a) of subsection (2) shall include, in addition to the information to be contained in the register, also the following:

(a) the time limits within which the insurers shall provide the required information;

(b) the persons or bodies entitled to have access to the register;

(c) any arrangement deemed necessary for the proper functioning of the Cyprus Information Centre.

(4) Notwithstanding the provisions of paragraph (b) of subsection (3) of this section, the Chief of Police shall also have direct access to the

register subject to the provisions of subsection (6).

*35 (I) of 2002  
... of 2003*

(5) The insurers shall notify to the information centres of all the members of the European Union or the European Economic Area, of the names and addresses of their claims representatives, whom they have appointed in each of the Member states, under the provisions of the Insurance Business and Other Related Issues Laws of 2002 and 2003.

*138 (1) 2001  
37 (I) of 2003*

(6) The processing of personal data carried out for the implementation of subsections (1), (2), (3), (4) and (5) shall be made in accordance with the provisions of the Processing of Personal Data (Protection of Individuals) Laws of 2001 to 2003.

7) Notwithstanding any criminal sanctions provided for in this Law, the Superintendent has the power to impose, following a complaint by the Cyprus Information Centre and, where appropriate, an administrative fine of up to one hundred pounds for each day of delay in the submission of the data specified by the decision of the Minister.

*Provision of  
information by the  
Cyprus Information  
Centre*

16D- (1) The Cyprus Information Center provides as soon as possible information to the following persons specified in the Minister's decision, provided that such persons have a legitimate interest in receiving such information:

(a) to any injured party;

(b) to any person who has as his usual place of residence in the Republic and is involved in an accident in a member state of the European Union or the European Economic Area;

(c) to any person who has his usual residence in the Republic and is involved in an accident in the Republic;

(d) to any insurer whose insured person is involved in an accident with a vehicle whose driver or owner, or insurance coverage or their address is unknown.

2) In addition to the provisions of subsection (1), the Cyprus Information Centre shall provide to the persons specified in paragraphs (a), (b) and (c) of this subsection, information regarding the name and address of the registered owner of the vehicle and / or the usual driver.

(3) Notwithstanding the provisions of this section, the Cyprus Information Centre has the right, when necessary, to address itself to any insurer to get any information falling within its remit.

(4) Within seven years from the date of an accident that occurs after this Law comes into force, the injured party is entitled to receive without delay, either from the Cyprus Information Center, or from the information center of the member state of his residence or from the information centre of the usual parking place of the motor vehicle that caused the accident the information specified in the Minister's decision.

Provided that the provisions of this paragraph shall apply, *mutatis mutandis*, also to persons referred to in paragraphs (b) and (c) of subsection (1) of this section.

(5) The Cyprus Information Centre shall cooperate with all information centres<sup>7</sup> of the European Union or the European Economic Area.

*Cyprus  
Compensation  
Organisation.*

16E. A compensation body is established to be referred to as the “Cyprus Compensation Organisation”.

(2) The powers and functions of the Cyprus Compensation Organisation shall be exercised



by the Motor Insurers' Fund under Articles 28 and 29.

(3) Subject to subsection (4) a person who has usual residence in the Republic and who has been involved in an accident in any member state of the European Union or the European Economic Area and who has suffered death or personal injury or damage to property may submit a claim to the Cyprus Compensation Organisation if—

(a) Within three months from the date the person has submitted a claim for compensation to the insurer of the vehicle that caused the accident, or to the claims representative, the insurer or the claims representative has not given a reasoned reply to the assertions made in the claim; or

(b) the insurer has failed to appoint a claims representative in the Republic:

Provided that in this case, the said person cannot make a claim to the Cyprus Compensation Organisation, if he has submitted a claim for compensation directly to the insurer of the vehicle that caused the accident and has received a reasoned reply within three months of its submission.

(4) The person referred to in subsection (3) cannot make a claim for compensation to the Cyprus Compensation Organisation, if he has filed a direct action against the insurer.

(5) The Cyprus Compensation Organisation shall act within two months from the date on which a claim for compensation was submitted, but shall terminate its actions, where the insurer or the claims representative conveys later a reasoned reply to the claim.

(6) The Cyprus Compensation Organisation shall inform without delay;

(a) The insurer of the vehicle that caused the accident or the claims representative;

(b) the compensation body of the member state where the insurer who issued the policy is established.

(c) the perpetrator of the accident, if he is known;

that a claim for compensation has been submitted by the person referred to in subsection (3) and that it intends to reply to it within two months from its submission.

(7) The Cyprus Compensation Organisation shall not make the payment of compensation dependent on any other conditions, except those referred to in this section, and in particular cannot demand any proof of the inability or refusal of the perpetrator to pay the person referred to in subsection 3.

8) The Cyprus Compensation Organisation which has paid compensation under this section may claim from the compensation body of the member state where the insurer is established to reimburse the amount paid as compensation.

(9) The provisions of subsection (8) shall apply, mutatis mutandis, in case of compensation paid to the injured party by the compensation body of the member state of his residence. In such case, the Cyprus Compensation Organisation shall reimburse the amount paid to the organisation and be subrogated to the rights of the injured party against the person who caused the accident or his insurer up to the amount paid.

(10) The provisions of this section shall enter into force;

(a) If the Republic of Cyprus accedes to the European Union and from the accession date thereof; or

(b) with the signature by the Cyprus Compensation Organisation of the agreement between the compensation bodies established or approved by the European Union member states or the European Economic Area, on the duties and obligations and the procedures for the reimbursement of the amounts paid.

whichever date is later.

*Payment of  
compensation by the  
Cyprus Compensation  
Organisation*

16 F- (1) If it has not been possible to identify the vehicle that caused the accident which happened in the member state of the European Union or the European Economic Area, or if within two months from the accident it was not possible to identify the insurer, the person who has his usual residence in the Republic and who has been involved in an accident in any member state of the European Union or the European Economic Area and who has died or suffered bodily injury or damage to property may request compensation from the Cyprus Compensation Organisation.

(2) The compensation to be paid under subsection (1), shall be subject to restrictions set out in subsection (2) of section 4.

(3) The Cyprus Compensation Organisation reserves the right to recover the amount of compensation, which it paid under subsection (1), subject to the provisions of subsection (8) of section 16E from the following guarantee funds:

(a) If the identity of the insurer cannot be established, from the guarantee fund of the member state where the place of usual parking of the vehicle is; or

(b) in case the identity of the vehicle, is not established, from the guarantee fund of the Member State in which the accident occurred; or

(c) in the cases where third-country vehicles are involved, from the guarantee fund of the member state where the accident occurred. "

**LAW AMENDING THE MOTOR VEHICLES**  
**(THIRD PARTY LIABILITY INSURANCE) LAW**

The House of Representatives enacts as follows:

*Short Title*

*96 (I) of 2000*  
*97 (I) of 2003*  
*156 (I) of 2003*

1. This Law may be cited as the Motor Vehicles (Third Party Liability Insurance) (Amendment) Law of 2006 and shall be read together with the Motor Vehicles (Third Party Liability Insurance) Law (to be referred to as the "basic law") and the basic law and this law may be referred to collectively as the Motor Vehicles (Third Party Liability Insurance) laws of 2000 to 2006.

*Amendment of  
the section 22  
of the basic  
law*

2. Section 22 of the basic law is amended by replacing word "two" (third line) with the word "three":

### **EXPLANATORY MEMORANDUM**

The purpose of the law proposed is to amend the Motor Vehicles (Third Party Liability Insurance) Law, so that the time during which an action can be brought for the purposes of this Law be extended from two to three years so that this time limit is consistent with the rule of the three-year limitation.

Aristophanis Georgiou  
on behalf of the Parliamentary Group  
of AKEL- Left –New Forces