



January 2019

'NO-DEAL' BREXIT MAY SIGNAL RETURN OF THE GREEN CARD

The UK is currently part of the European 'free circulation zone' meaning UK motorists can legally drive their vehicles in any European Economic Area (EEA) country (EU plus Iceland, Liechtenstein and Norway) as well as Andorra, Serbia and Switzerland. This means they only need to carry their standard EU 'First Directive on Motor Insurance'- compliant certificate.

Even today, anyone driving from the UK to a country that does not comply with the EU First Directive on Motor Insurance needs to arrange a Green Card, providing the country they are travelling to belongs to the Green Card system. UK insurers cannot provide cover for vehicles travelling to countries that do not belong to the Green Card system and nor can they issue Green Cards for vehicles without UK registration plates.

Freedom from Green Cards may come to a swift end in the event of a no-deal Brexit. The European Commission has yet to confirm that an agreement reached in May 2018 between the relevant European insurance authorities to waive the need for Green Cards in the event of a no-deal Brexit will stand. This has led to the Department for Transport announcing that if the UK does leave the EU without a Withdrawal Agreement, and if the May 18 agreement is not confirmed, drivers will have to carry a Green Card guaranteeing they have the necessary minimum motor insurance cover for driving abroad. That has significant practical and administrative ramifications including:

- Having to obtain a Green Card from your Broker or motor insurer in good time before you travel outside the UK (including to the Republic of Ireland as well as mainland Europe)

- Making sure that as well as specifying the number plate of your vehicle, any trailers or towed vehicles are suitably identified (some EU member states even require each trailer to be issued with its own Green Card)
- Making sure you carry the Green Card (a physical document printed on a piece of green paper) with you on your journey. If not, you may be prosecuted for driving without insurance, fined and have your vehicle impounded
- Making sure your motor insurance will not expire during the 15-day minimum period of Green Card issue. If your policy is due to expire during that period, renewal instructions will have to be given prior to travel.

Neither today's motor insurance certificates that comply with the EU First Directive on Motor Insurance, nor the issuing of a Green Card, have anything to do with extending cover beyond the minimum level legally required in the countries within which your vehicle is travelling. This means that what does not change is the need to always tell your motor insurer about needing to extend the cover you enjoy whilst driving in the UK to include overseas activity, before you travel.

For more information or for a full review of your needs, please speak to your usual Towergate Insurance Broker contact or email us at advisorymarketing@towergate.co.uk