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'I/A' ITEM NOTE

From: General Secretariat of the Council
To: Permanent Representatives Committee/Council

Subject: Draft DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL amending Directive 2009/103/EC relating to insurance against civil liability in respect of the use of motor vehicles, and the enforcement of the obligation to insure against such liability (**first reading**)
- Adoption of the legislative act
= Statement

Statement by Malta

Malta understands the importance of finalising procedures on the Motor Insurance Directive to better protect victims of motor vehicle accidents and improve the rights of insurance policyholders and welcomes the final adoption of the file.

However, Malta wishes to reiterate its concerns on the insolvency issue. The text entails the introduction of a home-based insolvency compensation body without appropriate provisions relating to the funding model, thus falling short of having a minimum ex-ante harmonisation of contributions.

In Malta's view, this is a fundamental issue which should have been addressed in order to avoid creating an unlevel playing field between Member States in the insurance sector. Moreover, text threatens the cross-border provision of insurance services and in that regard, Malta continues to believe that such funding arrangement should have been adequately designed to address the risk of regulatory arbitrage.

Finally, Malta welcomes the study published by the Commission on the funding of EU Insurance Guarantee Schemes and calls for further work going forward.
