

INTERGOVERNMENTAL AGREEMENT ON THE ESTABLISHMENT OF AN  
INTER-AFRICAN MOTOR VEHICLE THIRD PARTY  
LIABILITY INSURANCE CARD



PREAMBLE

The African States parties to this Agreement,

Noting the rapid increase in international road traffic in Africa, and the problems raised by such traffic in regard to motor vehicle third party liability insurance,

Conscious of the need to guarantee, for road accident victims, fair and prompt compensation for damage they may have sustained as a result of such accidents,

Anxious to facilitate, for their nationals driving their vehicles within the member States, payment of compensation due from them as a result of accidents they may have caused, and to enable them to comply with their obligations under local laws or regulations on the subject,

Desirous of encouraging the development of trade and tourist exchanges between African countries,

Convinced that the establishment of a common system for the settlement of claims arising in international motor vehicle traffic will lead gradually to a desirable harmonization, between the parties to the present scheme, of the laws and regulations governing third party liability in respect of motor vehicle accidents,

Wishing to offer their insurance markets an opportunity and a means to develop international links and exchanges, which will inevitably contribute to the expansion of these markets,

Being informed of the satisfactory results obtained by the international insurance card scheme which has been in force for many years in Europe, and of the institution of a similar scheme by the Arab countries,

DECIDE

to establish, by this Agreement, an inter-African insurance card covering motor vehicle third party liability when the vehicle insured is passing through the territories of the parties to this Agreement, such cover to provide at least the same guarantees as those required by the laws in force in the territory of each of the parties.

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PART I : STRUCTURE OF THE SCHEME

Article 1 : Form

1. The third party liability insurance scheme established by this Agreement shall have, as its legal, technical and financial basis, the guarantees which are afforded to motorists proceeding abroad by taking out an insurance policy on the usual terms with an insurer authorized to undertake this type of business in the country which is the point of departure for the journey.
2. The scheme shall be based materially on an inter-African insurance card whose form, as well as the guarantees it affords, are defined in the provisions of article 4 of this Agreement.
3. The inter-African insurance card shall be issued by a National Bureau established in each party to this Agreement in accordance with the provisions of article 5 of this Agreement. The card shall be issued to motorists through the insurers with whom they have taken out a third party liability insurance policy valid when driving in their own country.
4. Each National Bureau shall settle, on behalf of its member insurers, claims arising from accidents caused abroad by holders of the cards it has issued, and shall also handle claims arising from accidents caused in its country by holders of cards issued by the National Bureaux of other parties to this Agreement. It may also take over the settlement of claims under cover of a joint deposit, the inter-African card constituting proof of this deposit.
5. The legal, administrative and financial operation of the scheme established by this Agreement shall be co-ordinated and supervised by a Council of Bureaux of which all the National Bureaux of the parties to this Agreement shall be members in accordance with the provisions of article 6 of this Agreement.

Article 2 : Participants in the scheme

1. Parties to this Agreement shall participate in the scheme as principal participants.
2. Insurers, irrespective of their legal or financial structure, which are authorized by the competent authorities of their countries of activity to undertake insurance operations against third party liability risks in respect of motor vehicle accidents, shall participate in the scheme as subsidiary participants. The participation of such insurers in the present scheme shall be subject to their membership in the National Bureaux of their countries of activity.

Article 3 : Responsibility of the participants

1. The responsibilities of a party to this Agreement shall be :
  - a) To recognize the inter-African insurance card and to enact laws and regulations for the establishment of the card scheme, and particularly for the creation of its National Bureau ;

- b) To ensure that its National Bureau is established and functions in accordance with the provisions of this Agreement, and that it joins the Council of Bureaux and complies with the decisions of the Council ;
- c) To guarantee the solvency of its National Bureau ;
- d) To deposit with the Council of Bureaux established in accordance with article 6 a letter of credit issued by a bank in the amount of US\$ 200,000 to guarantee the performance by its National Bureau of the obligations under paragraph 10 of article 6 ;
- e) To place at the disposal of its National Bureau the foreign exchange necessary to enable it in all circumstances and without delay to transfer abroad the sums payable by it.

2. The responsibilities of a subsidiary participant shall be :

- a) To issue to its policyholders inter-African cards guaranteeing such policyholders adequate cover against the motor vehicle third party risks they incur in the countries which they visit ;
- b) To undertake, by way of reimbursement to the National Bureau, payment of compensation for damages and of any accessory or related expenses ;
- c) To contribute to the operating expenses of the National Bureau and, through the Bureau, to the operating expenses of the Council of Bureaux.

## PART II : ORGANIZATION

### Article 4 : The inter-African insurance card

1. An inter-African insurance card is hereby established.
2. This card shall be of a strictly uniform type to be determined by decision of the Council of Bureaux, which alone may alter the format, typographical layout, colour and content of the card.
3. The card shall include the following particulars : the name and address of the National Bureau which has issued it ; particulars of the insurer insuring the motor vehicle ; identification of the vehicle ; identification of the policyholder ; period of validity of the card ; its individual serial number ; a list of countries in which it is valid ; and the name and address, in each of those countries, of the National Bureau which the policyholder shall notify in the event of an accident. The card shall be signed by the insurer and by the policyholder.
4. The guarantee provided by the inter-African insurance card shall cover the third party liability incurred by the holder of the card in accordance with the laws of each member country which he visits.
5. Notwithstanding the terms of the insurance policy under which it is issued, the card shall provide all the guarantees required by the laws or regulations governing compulsory motor vehicle insurance in the country in which the accident occurred. Such guarantees shall be subject to the conditions and limitations contained in the insurance policy, if the said

conditions and limitations are permitted by the laws or regulations of the party to this Agreement in which the accident has occurred.

6. The inter-African card shall be recognized as a valid certificate of insurance in the territories of the parties to this Agreement in which the production of such a certificate is required, either within the national territory or at its frontiers, as a condition for the circulation of motor vehicles.

7. For a party in whose territory insurance is not compulsory, the guarantee provided by the inter-African card shall correspond to the third party liability arising for the motorist in accordance with the laws and regulations in force in the country where the accident occurred, as interpreted and applied by the local judicial or administrative authorities.

8. During the period of its validity, the inter-African card shall constitute proof of insurance, independently of the insurance policy on the basis of which it is issued. It shall automatically, whenever the third party liability of its holder is involved, entail the settlement of the claim by the National Bureau which has issued it, even if the said Bureau may in consequence have to bear the whole or part of the cost of the compensation, should the insurer succeed in proving total or partial non-insurance.

#### Article 5 : The National Bureaux

1. The status of each National Bureau shall be defined by the legal provisions in force, for this category of establishment, in the territory of a party to this Agreement. Its method of operation shall be determined by the legal instrument by which it is created.

2. In accordance with paragraph 2 of article 2, each National Bureau shall be composed of insurers authorized by the local supervisory authorities for insurance against motor vehicle third party liability risks. Insurers shall apply for admission to the National Bureau and shall provide the Bureau with any guarantees it may require. In a country where one single State-owned insurance company has the monopoly of all insurance operations, the Government of that party to this Agreement may designate that company to act as the National Bureau of that country.

3. Any insurer member wishing to withdraw from its National Bureau shall inform that Bureau of its intention to withdraw, by registered letter. The withdrawal shall take effect 90 days after the receipt of such letter. The National Bureau may establish the modalities of such withdrawal so as to guarantee the efficient functioning of the Bureau.

4. Any insurer member ceasing for any reason to be a member of the National Bureau shall remain bound by the undertakings assumed by the Bureau during the period of its membership.

5. The National Bureau shall be financed by the contributions of members. The amount and method of payment of contributions shall be determined at the time of admission to membership.

6. The members shall undertake to place at the disposal of the National Bureau as advances, at its request, the sums necessary for its operation.

7. The dissolution of a National Bureau shall require a decision to this effect of the Government of the party to this Agreement concerned, which decision shall determine the conditions and procedures for winding it up. Notification to the Council of Bureaux shall be given six months prior to any such decision.

8. The National Bureau shall have two roles, first as an agency issuing inter-African insurance cards and secondly as an agency handling commitments under inter-African cards issued by other National Bureaux.

A. The National Bureau, as an issuing agency,

- (i) Shall arrange for the printing of the cards and shall allot to each of them a serial number in a single series ; it shall issue the cards to insurers which are members of the Bureau and which request them. The said insurers shall keep a record enabling them to identify card-holders and the particulars shown on their cards ; the insurers shall undertake not to issue cards to persons other than their own policyholders who have taken out a policy against motor vehicle third party liability risks ;
- (ii) Shall give to each of the National Bureaux of other parties to this Agreement a general authorization to receive statements and claims concerning accidents caused in the territory of such other parties by the holders of the cards it has issued, to proceed with the investigation of such accidents and to pay compensation on request, supported by the usual instruments of proof. It shall reimburse to the National Bureau which has paid compensation :
  - (a) the total amount paid by way of damages, expenses and disbursements or, where the settlement is made by amicable agreement, the amount agreed in the settlement, including the agreed expenses. Fines shall on no account be reimbursed ;
  - (b) the expenses actually incurred in the investigation and settlement of the claim ;
  - (c) a handling fee calculated as a percentage of the amount of damages and legal costs or expenses agreed upon in a settlement by amicable agreement. This percentage shall be determined in advance and for all cases by the Council of Bureaux.
- (iii) Shall make reimbursement as calculated on the above-mentioned basis, including the minimum handling fee, even if the claim has been settled without any payment being made to an injured third party. Reimbursement shall be made at the registered office of the requesting National Bureau, in the currency of its country and free of any exchange or transfer charges.
- (iv) Shall pay interest on the amount due at the rate of 8 per cent from the date of the request to the date of payment if, after three months from the date of the request for reimbursement, payment has not been made.

B. The National Bureau, as a handling agency,

- (i) Shall, as soon as it is informed of an accident caused in its country by the holder of an inter-African card issued by the National Bureau of another party to this Agreement, act in the best interests of the latter Bureau. On receiving a claim for damages, it shall undertake the necessary verifications concerning the circumstances of the accident and, on the basis of these verifications, it shall advise the issuing Bureau and take any administrative or non-judicial action which it deems to be necessary. At the judicial level, the Bureau, in its capacity as a handling agency, shall be entitled to take any steps to institute or contest an action. In the case of claims for damages below a certain amount established by agreement with each of the other issuing Bureaux, the Bureau may agree to a settlement out of court. In the case of claims for damages exceeding the amount so established, the Bureau shall obtain the prior consent of the issuing Bureau before agreeing to any settlement.
- (ii) Shall not knowingly entrust or relinquish the handling of a claim to an insurer or to any person who may have a financial interest in the accident which has given rise to the claim.
- (iii) Shall be entitled, in a case where the compensation payable is in excess of US\$ 10,000, to require the issuing Bureau to instruct a bank or other financial establishment to place immediately at its disposal, at its registered office, a sum corresponding to the estimated amount of the compensation.

Article 6 : The Council of Bureaux

1. The Council of Bureaux (hereinafter referred to as "The Council") is hereby established.
2. The Council shall consist of one representative and one alternate representative of each National Bureau. It shall appoint its Chairman and Vice-Chairman from among the representatives. In the absence of both the Chairman and Vice-Chairman the members present shall select one representative to preside over the meeting.
3. The Council shall hold its inaugural meeting not later than two months after the entry into force of this Agreement, at a place to be decided on the basis of consultations among the parties. At its inaugural meeting the Council shall decide on the country (hereinafter referred to as "the host country") in which the Headquarters of the Council shall be situated.
4. The Council shall, as soon as possible after the entry into force of this Agreement, conclude with the Government of the host country an agreement relating to the status, privileges and immunities of the Council, its Executive Director and staff and of representatives of members of the Council whilst in the territory of the host country for the purpose of exercising their functions.

5. The Council shall meet at least once a year at a place and on a date which it shall determine. On the initiative of its Chairman or at the request of at least one-third of its members, a meeting of the Council may be called at not less than twenty days' notice.
6. The Council shall itself establish the agenda for its meetings, and only items included in the agenda shall be considered. Items proposed in writing to the Chairman not less than ten days before the meeting by at least a quarter of the members shall be included in the agenda.
7. Each member of the Council shall have one vote. With the exception of decisions under paragraph 2 of article 11, decisions of the Council shall be by a simple majority vote ; decisions shall require the presence of the representatives of at least half the members.
8. The Council shall appoint the Executive Director of the Council. The Executive Director shall appoint members of the staff in accordance with the rules and regulations established by the Council.
9. The Council shall establish its annual budget and shall fix the annual contributions to be paid by members which shall be an equal amount as among the members.
10. The Council shall have a general function of orientation, co-ordination and supervision over the whole of the inter-African insurance card scheme established by this Agreement.
11. With regard to the inter-African card, the Council shall, inter alia, determine its form and content.
12. With regard to the National Bureaux, the Council shall co-ordinate their operation. For this purpose, it shall in particular prepare a standard inter-Bureaux contract which shall be signed by all Bureaux and which the Council alone shall be entitled to amend. This contract shall in particular determine the maximum amounts for the delegation of powers of settlement by one National Bureau to another, and the minimum handling fee payable for each case handled by them.
13. Any dispute between two or more National Bureaux as to the interpretation or application of this Agreement shall be referred to the Council. Subject to the concurrence of the parties to the dispute, the Council may itself settle the dispute. In the absence of such concurrence, the Council shall appoint one or more arbitrators, selected for their competence. In either case, the decision pronounced shall be final and binding on the parties to the dispute. The decision shall be notified to all the National Bureaux and the Council shall see to its execution. In the case of an arbitration, the costs involved shall be shared between the parties to the dispute.
14. The Council shall on its own initiative or on the initiative of any Government signatory to this Agreement consider and, if it deems it advisable, propose changes in the laws or regulations of the parties to this Agreement with a view to improving the functioning of the inter-African insurance card

scheme, or to harmonizing the systems of compensation for damages occasioned by road traffic accidents, or to improving accident prevention.

### PART III : FINAL PROVISIONS

#### Article 7 : Signature, ratification, acceptance and approval

1. African States are entitled to become original countries parties to this Agreement by :
  - (a) definitive signature (not subject to ratification, acceptance or approval) ; or
  - (b) signature subject to and followed by ratification, acceptance or approval.
2. This Agreement shall be open for signature from 1 October 1978 until and including 30 September 1979 at United Nations Headquarters.
3. Ratification, acceptance or approval shall be effected by the deposit of an instrument to this effect with the Secretary-General of the United Nations who shall be the Depositary of this Agreement.

#### Article 8 : Accession

After this Agreement has entered into force in accordance with article 9, any state referred to in paragraph 1 of article 7 which has not signed it may accede to the Agreement on conditions established by the Council. Accession shall be effected by the deposit of the appropriate instrument with the Depositary.

#### Article 9 : Entry into force

1. This Agreement shall initially enter into force three months after the date on which the Governments of eight States have either signed it definitively or have deposited instruments of ratification, acceptance or approval with the Depositary. Upon such entry into force, the provisions in this Agreement relating to the establishment of the Council, to the deposit of letters of credit with the latter and to accession shall be given effect as soon as possible. The other provisions shall be given effect only after letters of credit have been deposited with the Council by eight parties at least.
2. For each State which signs this Agreement definitively or on behalf of which an instrument of ratification, acceptance, approval or accession is deposited after the date on which definitive signatures have been affixed or instruments of ratification, acceptance or approval have been deposited on behalf of eight States, this Agreement shall enter into force three months after definitive signature or deposit of the instrument of ratifi-



cation, acceptance, approval or accession on behalf of that State. Upon entry into force of this Agreement in respect of that State, the provisions relating to the deposit of a letter of credit with the Council shall be given effect as soon as possible. The other provisions shall be given effect in respect of the State concerned only after the appropriate letter of credit has been deposited with the Council.

Article 10 : Amendments

1. Any party may propose one or more amendments to this Agreement by communicating the proposed amendments to the Depositary. The Depositary shall circulate such amendments among the countries parties, for their acceptance, and among States entitled to become parties to this Agreement, for their information.
2. Any proposed amendment circulated in accordance with paragraph 1 of this article shall be deemed to have been accepted if no country party communicates an objection thereto to the Depositary within 6 months following the date of its circulation by the Depositary. If a country party communicates to the Depositary an objection to the proposed amendment, such amendment shall not be considered as accepted and shall not be put into force.
3. If no objection has been communicated, the amendment shall enter into force for all the parties three months after the expiry date of the period of 6 months referred to in paragraph 2 of this article.

Article 11 : Withdrawal and exclusions

1. A party to this Agreement may withdraw from it at any time after the expiration of a period of one year from the date on which this Agreement has entered into force by means of a notification in writing addressed to the Depositary. The withdrawal shall take effect 12 months after the date of receipt of the notification by the Depositary, during which period the withdrawing party shall remain liable for its financial obligations under this Agreement.
2. If the Council finds that any party is in breach of its obligations under this Agreement and decides further that such failure significantly impairs the operation of this Agreement it may, by a two-thirds majority vote, exclude such party from this Agreement. The Council shall notify the Depositary of any such decision. Ninety days after the date of the Council's decision the party concerned shall cease to be a party to this Agreement.
3. The Council shall determine any settlement of accounts with a withdrawing or excluded member.

Article 12 : Depositary

1. The Secretary-General of the United Nations is designated as the Depositary of this Agreement.

2. The Council shall notify the Depositary without delay of all decisions and actions which it may take under the various provisions of this Agreement, in particular articles 6, 8, 9 and 10 thereof.

IN WITNESS WHEREOF the undersigned, having been duly authorized to this effect by their respective Governments, have signed this Agreement, the English and the French texts of which are equally authentic, on the dates appearing opposite their signatures.