

Green Card Bureau Compendium

M – Malta

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General information

Please provide the official full name of your Bureau.

MALTA GREEN CARD BUREAU

What is the legal status (form) of your Bureau (non-profit organisation, association of legal entities, limited liability company, etc.)?

The Bureau is a non-profit organisation which is composed of all the Insurers that are authorised to transact MTPL Insurance in Malta. It is registered in terms of the second schedule of the Civil Code. It has its own legal personality, as distinct from that of its members.

How is the ownership/membership of your Bureau structured (e.g. owned/controlled by all members equally, part of state government, etc.)?

All Insurers authorised to transact MTPL Insurance in Malta are members of the Bureau. Their participation in the liabilities of the Bureau is proportionate to their motor premium income. However being a non profit organisation means that Insurers do not draw any return from membership.

Question N° 1

1.1. What was the date of the original Law, which introduced Compulsory Third Party Motor Insurance and what was the date of its entry into force?

The Motor Vehicles Insurance (Third-Party Risks) Ordinance was enacted in 1939 and came into force in 1947.

1.2. What is the date of the present Law and of its entry into force?

The ordinance has undertaken significant amendments (the last enacted by Act XV of 2009) and is to be read with the Protection and Compensation Fund Regulations in Legal Notice 435 of 2003 (as amended by Legal Notice 405 of 2015/17 of 2011).

Question N° 2

2. Which are the classes of motor vehicles for which insurance is compulsory?

Any vehicle intended for travel on land and propelled by mechanical power, but not running on rails, and any trailer, whether or not coupled.

Question N° 3

3. Is the Law applicable to foreign visitors?

Yes.

Question N° 4

4. Does the Law apply in respect of liability for both personal injury and damage to property?

Yes.

Question N° 5

5. What is the minimum limit of cover required for personal injury damage? State the minimum value of sum insured, date with effect from and please indicate whether the limit is per accident or per victim.

Type of vehicle	Personal injuries		Material damage	
	Per accident	Per victim	Per accident	Per victim
All	6,070,0005.000.000 €		1,220,0001.000.000 €	
Date of effect:				

Question N° 6

6.1. Does the Law require cover in respect of passengers carried in the vehicle?

Yes.

6.2. Is there any category of passenger excluded from this cover?

No.

Question N° 7

7. Under what conditions is an insurer permitted by Law to reject a third party claim? Please specify.

The law does not consider as valid any condition in the policy which restricts third party cover by reference to the following matters:

- i) the mental and/or physical condition of the person driving the vehicle; or
- ii) the condition of the vehicle; or
- iii) the number of persons that the vehicle carries; or
- iv) the weight or physical characteristics of the goods that the vehicle carries; or
- v) the times at which or the areas within which the vehicle is used; or
- vi) the horse-power or value of the vehicle; or
- vii) the carrying on the vehicle of any particular apparatus; or
- viii) the carrying on the vehicle of any particular means of identification other than any means of identification required to be carried by or under any law in force; or ix) the colour of the vehicle; or
- x) the age of the person driving the vehicle

Conditions not listed above are therefore permissible, but would not prevent a third party to pursue a claim against the insurer on the basis of an 'insurer concerned' liability under the provisions of the Protection and Compensation Fund Regulation, Legal Notice 435 of 2003 (as amended by Legal Notice 117 of 2011).

Question N° 8

8. Is there a direct right of action by a third party against an insurer?

Yes. The injured party whether a resident in Malta or in an EU state is granted the right to institute a direct action against the insurer, if the accident occurred in Malta or an EU or an EEA state.

Question N° 9

9. Does a claimant resident in a foreign country have a direct right of action against the local Bureau or the insurer representing the Bureau?

No.

Question N° 10

10.1. Does the Law require the insurer and/or Bureau to make an offer of compensation to a claimant within a specified time?

Yes.

If yes, what is the nature of the damages to which the time-limit applies?

The time limit applies for property and physical injuries.

10.2. What is the specific time-limit?

An offer of compensation should be made within three months from the date when the claimant presented his/her claim.

10.3. Which are the other provisions of the Law in this respect? (e.g. sanctions)

If no offer or reply is made within the three-month time limit, a penalty not exceeding €11,646, shall be payable to the Protection and Compensation Fund, such penalty to be receivable as a civil debt by the said fund.

If an offer is not made within the three-month time limit, interest shall be payable on the amount of compensation offered or awarded by the Court to the injured party: provided that, if interest is due it shall commence to run from the date that the claim is presented by the injured party, until the date compensation is received by the injured party concerned.

10.4. Are there any similar stipulations for provisional payments?

No.

Question N° 11

11.1. Is there a limitation period for legal proceedings against the insured or the insurer?

Yes.

If yes, please specify.

The limitation period for legal proceedings is as follows:

Against the Insured for damages for claims arising from tort - 2 years

Where the tort amounts to a serious criminal offence, as in manslaughter, (for unlawful homicide as in manslaughter, this can increase to 5 years), the prescriptive periods applicable to criminal prosecution apply.

Against the Insurer for a claim arising from contract - 5 years

11.2. Are there any provisions in the Law which allow for the suspension or extension of that limitation period?

Yes.

If yes, please specify.

The law provides inter alia that the limitation period does not run in the following cases:

- i) against minors, between spouses or between parent and child;
- ii) in regard to conditional rights, until the condition is fulfilled.

The law provides that the limitation period is extended in the following cases:

- i) by a judicial act filed in the name of the claimant and served on the tortfeasor, showing clearly that the claimant intends to preserve his right;
- ii) when the tortfeasor acknowledges the right of the claimant;
- iii) where the tortfeasor or a person acting on his behalf (such as an Insurer) makes a payment on account of the damages.

Question N° 12

12.1. Is your Bureau a VAT liable entity?

Under Maltese VAT legislation, the Malta Green Card Bureau is considered to fall within the legal definition of a "Taxable Person". However the Bureau is not required to register for VAT purposes since all the services it provides are considered by the said legislation to be VAT exempt. This includes the Handling Fee charged by the Bureau as reimbursement for its services.

12.2. If yes, please indicate the VAT number:

As above.

In this case is the service of claims handling by the Bureau VAT exempted?

As above.

12.3. Is an MTPL insurer in your market a VAT liable entity?

Under Maltese VAT legislation, an MTPL Insurer is considered to fall within the legal definition of a "Taxable Person". However the Insurer is not required to register for VAT purposes in respect of Insurance and related services which are considered by the said legislation to be VAT exempt.

If yes, is the service of claims handling by an MTPL insurer VAT exempted?

As above.

12.4. Is a specialised claims handling office a VAT liable entity?

Yes.

If yes, is the service of claims handling by this entity VAT exempted?

No.

Question N° 13

[Note: Questions addressed to non-EEA Bureaux only. For EEA Bureaux, see Section 2 & 3]

13.1. Is there a Guarantee Fund in your Country?

Yes.

If yes, what are the conditions and limits of intervention of the Guarantee Fund?

The purposes of the Fund are:

(a) to make payment of any claims in respect of risks situated in Malta and of commitments where Malta is the country of the commitment in the amounts prescribed by the Regulations against an insurer, remaining unpaid by reason of the insolvency of such insurer;

(b) to make payment of compensation to victims of road traffic accidents in circumstances prescribed by the Regulations (uninsured and unidentified vehicles).

13.2. Are these conditions and limits applicable to non-residents whether they are the cause of, or victims of, accidents?

Yes.

Question N° 14 – For countries concerned by Section III of the Internal Regulations

14.1. Are there natural or legal persons (public or private) exempted from the obligation of compulsory MTPL insurance in your country? (Article 12.2 of the Internal Regulations)

Yes.

If yes, please list the persons exempt from compulsory MTPL insurance:

(a) Any motor vehicle owned by the Government of Malta when such vehicle is used and employed exclusively in the service of the Government of Malta.

(b) Any specified class of motor vehicles to which or to certain natural or legal persons, whether public or private, to whom the Minister responsible for transport shall by regulation exempt.**b) and the authorities or bodies responsible for compensation:**

Any loss or injury caused in Malta or in the territory of a designated State by a motor vehicle belonging to a natural or legal person, whether public or private, in respect of whom a derogation is provided , shall be compensated according to criteria and procedures to be prescribed by Regulations by the Minister responsible for Transport.

In this case please also indicate the authorities or bodies responsible for compensation:

N/A.

14.2. Are there certain types of vehicles or certain vehicles bearing a special plate exempted from the obligation of compulsory MTPL insurance in your country? (Article 12.3. of the Internal Regulations)

Yes.

If yes, please list those vehicles:

Exempted from compulsory insurance are:

(a) Any motor vehicle owned by the Government of Malta when such vehicle is used and employed

exclusively in the service of the Government of Malta;

(b) Any specified class of motor vehicles to which or to certain natural or legal persons, whether public or private, to whom the Minister responsible for Transport shall by regulation exempt.

Question N° 15

15.1. Any other special features?

None.