

Green Card Bureau Compendium

CY - Cyprus

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General information

Please provide the official full name of your Bureau.

CYPRUS INTERNATIONAL INSURANCE BUREAU

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

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

Controlled by all members equally

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?

1954. Entry into force in 1957.

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

The 1957 Law was amended on various occasions.

The 1957 Law was finally abolished and replaced by a new Law on the 7th July 2000 which was amended several times.

Question N° 2

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

All classes of motor vehicles, except the ones mentioned below.

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	€36.350.000	N/A.*	€1.220.000	N/A.*
Date of effect: 01/01/2017				

* Irrespective of the number of victims.

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?

Yes, passengers carried in a vehicle, which was stolen or illegally removed from its owner and this fact was known to such passengers.

Question N° 7

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

Theoretically, an Insurer may reject a Third Party claim if the policyholder is in breach of a condition of the policy, except in a number of occasions specified in the Law. However, the Insurer is obliged by the “Internal Agreement” of the Motor Insurers’ Fund to meet most Third Party claims and may later recover from the policy holder

Question N° 8

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

Yes, in the case of a legal decision taken against the insured who the insurer refuses to satisfy. Furthermore, as regards the complaints falling under the 4th MID, all victims of damages or personal injury can directly sue the insurer of the person responsible.

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. Like everybody else he has to institute an action against the person responsible and notify the Bureau or the Insurer.

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, under the provisions of the Motor Insurance Directives an insurer and the Bureau have to make a “reasoned offer” of compensation within 3 months.

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

All types of damages.

10.2. What is the specific time-limit?

That envisaged under the Directive i.e. 3 months.

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

Those envisaged under the Directive.

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.

There is a limitation period of 3 years for all claims, but this period may be extended by the judge if circumstances justify such an extension.

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 limitations period may not be suspended, but it may be extended by the judge for up to 5 years if this is considered just and equitable under the circumstances. A general suspension may apply if any person may not be able to institute an action as a result of the abnormal political conditions in Cyprus.

Question N° 12

12.1. Is your Bureau a VAT liable entity?

No.

12.2. If yes, please indicate the VAT number:

N/A.

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

N/A.

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

Insurance business in general is an exempt activity from VAT.

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

N/A.

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

Yes, in so far as the service fees are concerned.

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?

N/A.

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

N/A.

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

N/A.

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:

The persons exempt from compulsory insurance:

- (i) the user of a motor vehicle owned by the Republic while such motor vehicle is being used for the purposes of the Government;
- (ii) the user of a motor vehicle at any time when it is driven for police purposes by or under the directions of a police officer of or above the rank of Inspector as defined in the Police Law;
- (iii) any person or class of persons declared by the Council of Ministers to be exempted from the provisions of this Law, subject to such conditions, if any, as the Council of Ministers may deem fit to impose (no class was declared so far)

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

The Accountant General's Office of the Republic of Cyprus.

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:

Government and military vehicles.

Question N° 15

15.1. Any other special features?

No.