

# Green Card Bureau Compendium

## L - Luxembourg

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### General information

Please provide the official full name of your Bureau.

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

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

### 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?**

Act of 10 June 1932 relating to compulsory third party liability motor insurance.

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

Amended by an Act dated 16.04.2003 relating to compulsory third party liability motor insurance in force since 12.05.2003.

### Question N° 2

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

All motor vehicles.

**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	Unlimited	N/A.	Unlimited	N/A.

**Date of effect:**

**Comment:** The guarantee may be limited to 12 500 000 € for damage resulting from acts of terrorisms or damage resulting from the participation of the vehicle in races or contests as well as in the test runs of these races and contests; speed races, endurance or skill racing even if they are authorised are considered as races or contests.

The guarantee may be limited to €1 250 00 per claim for material damage caused by fire, blowpipe flames or explosions or environmental pollution.

**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?

Are excluded from cover:

- i) Any insured person whose liability is involved in the occurrence leading to the damage.
- ii) The persons committing or commingling in the theft of the vehicle which caused the damage.
- iii) Persons having willingly been carried in the vehicle causing the damage, when the insurer can prove that they knew that the vehicle was stolen.

### **Question N° 7**

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

The law provides for two cases of exclusion without any possible derogation in relation to

- Damage caused when the insured vehicle has been requisitioned for civil or military use, whether as owned or hired, from the date it was requisitioned by the relevant authority
- bodily injury and material damage resulting directly or indirectly from explosion, heat emissions, radiation, contamination, from atom transmutation or radioactivity, as well as from radiation effects caused by the artificial acceleration of nuclear particles.

2. the Grand-Ducal Decree of 11.11.2003 pronounced in execution of the Act dated 16.04.2003 relating to compulsory insurance of third party motor liability, lists several cases of optional exclusions in relation to :

1) Damage resulting from use of the vehicle when engaged in races or competitions as well as in test runs prior to such races or competitions. Speed, skill or reliability trials are ranked as races and competitions even when authorised.

2) Material damage suffered by

- a) the policy holder, owner, keeper or driver of the vehicle having caused the damage;
- b) the spouse of persons cited in Article 8;
- c) parents and relatives lineally descended from such persons provided they meet the dual condition of living under the same roof and being dependent of such persons.

3. Damage caused when the driver does not hold a valid driving licence as prescribed by the respective regulations. When the driver has failed to have his driving licence renewed in accordance with legal provisions, this exclusion shall not apply if the driving licence thus expired was valid for this type of vehicle driven at the time of the accident.

The licence is nonetheless deemed valid:

- when, in the event of a loss occurring in a country where the insurance is valid, the driver does not hold a valid driving licence, as prescribed by the regulations of this country, but does however hold a valid Luxembourg licence;
- when the driver holds a valid driving licence pursuant to the regulations of a member country of the European Union.

The legal prohibition to drive and the administrative withdrawal of the driving licence, as well as failure to observe restrictions (e.g. “only valid for a specially equipped vehicle as a result of an infirmity”) or conditions (e.g.: “only valid with corrective lenses”) stated on the driving licence, equivalent to the absence of a valid driving licence.

4. Damage caused by applicants to a Luxembourg driving licence

5. Damage caused when the vehicle has been leased;

6. damage caused by vehicles carrying flammable, corrosive, explosive or combustible materials, if these materials are involved in either the cause or the severity of the loss. In this case, however, a tolerance of 500 kg or 600 litres of oil,

mineral gasoline or similar products is allowed (including liquid or gaseous fuels required by the engine type).

7. damage caused in the course of transport of passengers in return for remuneration far in excess of the costs relating to the running and use of the vehicle.

8. damage caused either to the vehicles used by the insured, or to their content, or to personal or real property of which the insured is the owner, lessee, possessor, keeper or holder.

9. damage which, without resulting from the vehicle travelling, is caused by merchandise and objects transported or by handling required as a result of transport.

10. the recourse based on article 116 of the Code of the Social Security against the policy-holder.

Exclusions under points 1 and 3 to 7 are not applicable to injured persons. However the insurance company retains its right of recovery against the policyholder and the insured. Should this right be exercised under points 3 to 5 against natural persons, it is limited to a maximum amount of €3000 per claim.

### **Question N° 8**

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

Yes.

### **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?**

Yes.

### 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?**

Material damage as well as bodily injury.

**10.2. What is the specific time-limit?**

3 months from notification of the claim.

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

Civil (late interest at legal rate) and administrative (up to withdrawal of approval) penalties and sanctions.

**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.**

Any lawsuit brought by the injured party against the insurer is barred 5 years after the event generating the damage.

**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 time-limit is interrupted with regard to the insurer by any negotiations between the insurer and the injured party and by a written claim from the injured party sent to the insurer. A further period of five years starts to run when one of the parties notifies the other, by process or by registered letter, that it is breaking the negotiations.

### 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?**

No.

**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.

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

Yes.

### **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)**

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

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

**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:**

- Motor vehicles weighing when unladen less than 400 kg and mainly intended to carry out construction work;
- Motor vehicles exceeding 400 kg in unladen weight, with a maximum speed of 35 km/hour on non-public land which is open to a certain number of people entitled to go there.
- Trailers when no subject to compulsory insurance
- Motorised wheelchairs as defined by the Luxemburgish order modified on 23.11.1955 regarding traffic on all public roads.

#### **Question N° 15**

**15.1. Any other special features?**

No.