

Vehicle insurance if there's no Brexit deal

Summary

How UK drivers and motor insurance providers would be affected if the UK leaves the EU with no deal.

Detail

If the UK leaves the EU in March 2019 without a deal, find out how this would affect:

- motorists who would need a Green Card as proof of insurance
- motor insurance businesses responsible for providing Green Cards

See also:

- [Driving in the EU if there's no Brexit deal](<https://www.gov.uk/government/publications/driving-in-the-eu-if-theres-no-brexit-deal/driving-in-the-eu-if-theres-no-brexit-deal>)
- [Commercial road haulage in the EU if there's no Brexit deal](xxx)
- [Operating bus or coach services abroad if there's no Brexit deal](xxx)
- [Banking, insurance and other financial services if there's no Brexit deal](<https://www.gov.uk/government/publications/banking-insurance-and-other-financial-services-if-theres-no-brexit-deal>)
- [Vehicle insurance: driving abroad](<https://www.gov.uk/vehicle-insurance/driving-abroad>)

A scenario in which the UK leaves the EU without agreement (a 'no deal' scenario) remains unlikely given the mutual interests of the UK and the EU in securing a negotiated outcome.

Negotiations are progressing well and both we and the EU continue to work hard to seek a positive deal. However, it's our duty as a responsible government to prepare for all eventualities, including 'no deal', until we can be certain of the outcome of those negotiations.

For two years, the government has been implementing a significant programme of work to ensure the UK will be ready from day 1 in all scenarios, including a potential 'no deal' outcome in March 2019.

It has always been the case that as we get nearer to March 2019, preparations for a no deal scenario would have to be accelerated. Such an acceleration does not reflect an increased likelihood of a 'no deal' outcome. Rather it is about ensuring our plans are in place in the unlikely scenario that they need to be relied upon.

This series of technical notices sets out information to allow businesses and citizens to understand what they would need to do in a 'no deal' scenario, so they can make informed plans and preparations.

This guidance is part of that series.

Also included is an [overarching framing notice](<https://www.gov.uk/government/publications/uk-governments-preparations-for-a-no-deal-scenario/>) explaining the government's overarching approach to preparing the UK for this outcome in order to minimise disruption and ensure a smooth and orderly exit in all scenarios.

We are working with the devolved administrations on technical notices and we will continue to do so as plans develop.

Purpose

For private and commercial motoring, we are seeking a deal to ensure that UK motorists can continue to drive in the EU without additional checks and documentation after we have left.

This notice sets out the actions that UK motorists may wish to consider in order to continue to drive in the EU, if the UK leaves the EU in March 2019 with no agreement in place on motor insurance Green Cards.

Before 29 March 2019

The EU motor insurance directives were established to enhance both the protection of victims of traffic accidents and freedom of movement within the European Economic Area (EEA).

A feature of the directives has been the introduction of the Green Card-free circulation area. In this area, systematic checks of Green Cards as proof of third party motor insurance have been abolished at the border of EEA member states and 3 third countries (Andorra, Serbia and Switzerland).

The Green Card is an international certificate of insurance issued by insurance providers in the UK, guaranteeing that the motorist has the necessary third party motor insurance cover for travel in the country being travelled to. Green Cards are guaranteed through agreements between the countries that issue them. All certificates have the same format, are Green in colour, and list the countries for which the motorist's insurance policy is valid.

Green Cards are currently issued free-of-charge, but insurance providers can decide to reflect production and handling costs in a small increase to their administration fees.

After March 2019 if there's no deal

If the UK leaves the EU in March 2019 with no deal in place regarding the implementation period and future arrangements, access to the Green Card-free circulation area would cease. This would mean that UK motorists would need to carry a Green Card as proof of third party motor insurance cover when driving in the EU, EEA, Andorra, Serbia and Switzerland.

Travel to the EEA

Even in a no deal scenario, all UK motor insurance providers will continue to be required to provide third party motor insurance cover for travel to EEA countries. If you are a UK motorist, you will, therefore, not need to purchase additional third party motor insurance policy cover when travelling to these countries with a UK-registered vehicle. You would continue to hold the same third party cover that you do now.

If we do not have access to the Green Card-free circulation area on exit day, we expect that UK motorists would need to carry a Green Card as proof of third party motor insurance cover if you drive to and within:

- [EU or EEA countries](<https://www.gov.uk/eu-eea>)
- Andorra
- Serbia
- Switzerland

The validity of UK Green Cards in these countries is subject to agreements that need to be reached between the UK's Motor Insurers' Bureau and the relevant National Insurers' Bureaux. These agreements ensure Green Cards are recognised and facilitate the settlement of claims for traffic accident victims.

You should expect documentation checks to be carried out when entering these countries.

You can request a Green Card from your insurance provider free of charge, but insurers may decide to reflect production and handling costs in a small increase to their administration fees.

If you have 2 insurance policies covering the duration of your trip (because the policy renews whilst you are away), you must ensure you have the correct documentation (1 or 2 Green Cards may be required).

If you are a commercial operator and have fleet insurance, you must ensure you have Green Cards for each vehicle. Some countries also require separate trailer insurance to that of the towing vehicle, which means a separate Green Card may be required for your trailer.

Without a Green Card, you would have to purchase local insurance in the country you are entering (also known as frontier insurance). This provides proof of third party motor insurance cover for a UK-registered vehicle in that country for a limited period of time (the period of validity varies depending on policy purchased). However, due to high costs and limited availability of frontier insurance across these countries, we recommend that you obtain and carry a Green Card to ensure minimum requirements for motor insurance cover are met.

If you don't have proof of third party motor insurance cover, you may not be able to drive in that country. You may also be fined according to the law of that country.

Please note that you do not need to request a Green Card yet. If Green Cards are required, this will be communicated to you at an appropriate time.

Insurance providers should plan for a scenario where no deal is reached and where they will need to provide for a much higher number of Green Cards. This involves ensuring their current administrative systems are suitable for an increased demand from UK motorists.

Travel to the UK by EEA motorists

EU motorists will continue to be required to have third party motor insurance cover for travel within the UK.

If the UK does not have access to the Green Card-free circulation area on exit day, we expect EEA motorists would need to carry a Green Card as proof of third party motor insurance cover if they wish to travel to the UK with their vehicle. The validity of UK Green Cards in these countries is subject to agreements that need to be reached between the UK's Motor Insurers' Bureau and the relevant National Insurers' Bureaux. These agreements ensure Green Cards are recognised and facilitate the settlement of claims for traffic accident victims.

Without a Green Card, you cannot prove you have the appropriate third party motor insurance cover and you would have to purchase local insurance in the UK (also known as frontier insurance). This would provide proof of third party motor insurance cover for a non-UK-registered vehicle in the UK for a limited period of time (period of validity varies depending on policy purchased). However, due to limited availability of frontier insurance in the UK, we recommend that you obtain and carry a Green Card to ensure minimum requirements for motor insurance cover are met.

If you don't have proof of third party motor insurance cover, you would not be permitted to drive in the UK. You may also be fined or subject to other punitive measures.

More information

Drivers and businesses travelling overseas may wish to consider other notices which are relevant to their private and commercial operations, including:

- [Driving in the EU if there's no Brexit deal](<https://www.gov.uk/government/publications/driving-in-the-eu-if-theres-no-brexite-deal/driving-in-the-eu-if-theres-no-brexite-deal>)
- [Commercial road haulage in the EU if there's no Brexit deal](xxx)
- [Operating bus or coach services abroad if there's no Brexit deal](xxx)
- [Banking, insurance and other financial services if there's no Brexit deal](<https://www.gov.uk/government/publications/banking-insurance-and-other-financial-services-if-theres-no-brexite-deal>)
- [Vehicle insurance: driving abroad](<https://www.gov.uk/vehicle-insurance/driving-abroad>)

We will publish more information in the coming months. We aim to give businesses and individuals as much certainty as possible as soon as we can, and to ensure that any new requirements are not unduly burdensome.

This notice is meant for guidance only. You should consider whether you need separate professional advice before making specific preparations.

It is part of the government's ongoing programme of planning for all possible outcomes. We expect to negotiate a successful deal with the EU.

The UK government is clear that in this scenario we must respect our unique relationship with Ireland, with whom we share a land border and who are co-signatories of the Belfast Agreement. The UK government has consistently placed upholding the Agreement and its successors at the heart of our approach. It

enshrines the consent principle on which Northern Ireland's constitutional status rests. We recognise the basis it has provided for the deep economic and social cooperation on the island of Ireland. This includes North-South cooperation between Northern Ireland and Ireland, which we're committed to protecting in line with the letter and spirit of Strand two of the Agreement.

The Irish government have indicated they would need to discuss arrangements in the event of no deal with the European Commission and EU Member States. The UK would stand ready in this scenario to engage constructively to meet our commitments and act in the best interests of the people of Northern Ireland, recognising the very significant challenges that the lack of a UK-EU legal agreement would pose in this unique and highly sensitive context.

It remains, though, the responsibility of the UK government, as the sovereign government in Northern Ireland, to continue preparations for the full range of potential outcomes, including no deal. As we do, and as decisions are made, we'll take full account of the unique circumstances of Northern Ireland.

Norway, Iceland and Liechtenstein are party to the Agreement on the European Economic Area and participate in other EU arrangements. As such, in many areas, these countries adopt EU rules. Where this is the case, these technical notices may also apply to them, and EEA businesses and citizens should consider whether they need to take any steps to prepare for a 'no deal' scenario.