

# Statutes of the Norwegian Motor Insurers' Bureau

last amended at the Annual General Meeting on 17 June 2019

## § 1 - MEMBERS

The Norwegian Motor Insurers' Bureau, hereinafter called the Bureau, is an association of all insurers who, in compliance with section 1 a no. 3 of the Regulations on Motor Insurance etc. are obliged to be a member of the Bureau, cf. Sections 10 and 17 of the Norwegian Automobile Liability Act. Its place of business is Oslo.

Through their membership, member companies are obliged to safeguard all legal preconditions for their business.

Members who have not had vehicles registered as insured in TFFAuto in a calendar year are considered as passive members for that year.

## § 2 - MEMBERS' OBLIGATIONS

The Bureau's members are obliged to participate in the Bureau's collective business, cf. § 3.

Passive members are obliged to pay membership dues to the Bureau if they wish to receive information and other material that the Bureau distributes to members. The amount of membership dues is determined by the Annual General Meeting.

## § 3 - OBJECTIVES AND ACTIVITIES

The Bureau shall:

### 1. Statutory tasks in connection with the Norwegian Automobile Liability Act and the Norwegian Road Act

a. bear the liability for damage caused by unknown and uninsured motor vehicles pursuant to the Norwegian Automobile Liability Act section 10

b. collect fines from uninsured motor vehicle owners pursuant to the Norwegian Automobile Liability Act section 17 a

c. issue frontier motor insurance certificates when such a certificate is not already available for foreign motor vehicles driving in an EEA state, according to the regulation on motor insurance etc. of 01.04.1974 no. 3 section 1, 2<sup>nd</sup> subsection cf. section 1 a no. 4 and for driving in Switzerland (Norwegian Automobile Liability Act)

d. insure motor vehicles which are to be specially registered in accordance with the regulations of 28.03.1967 no. 9350 section 6 (Norwegian Road Act)

### 2. International obligations established in the "Green Card" system etc.

a. act as issuer of the "Green Card" (international insurance certificate) for Norwegian-registered motor vehicles, and guarantee for these when driving abroad in compliance with Internal Regulations Section II

b. guarantee - without the issue of a "Green Card" - for motor vehicles domiciled in Norway when driving in the countries where Internal Regulations Section III applies

c. act as the agency for dealing with damage caused in Norway by foreign motor vehicles in accordance with the Green Card system's Internal Regulations

d. guarantee for Norwegian motor vehicles driving in Denmark, Finland and Sweden in accordance with agreements of 31.10.2006 with the corresponding motor insurance associations in these countries

e. support the international motor vehicle traffic in respect of insurance, and represent Norwegian automobile insurance in an international context

**3. Statutory tasks established in the European Parliament and Council's Directive 2009/103/EC (cf. regulation on automobile insurance etc. of 01.04.1974 no. 3)**

a. act as national insurance agency according to article 6 (section 1 a no. 3)

b. act as information centre according to article 23 (section 1 d)

c. act as compensation body according to article 24 (section 1 e)

d. be able to act as claims representative according to article 21 (section 1 c)

e. act as central body under article 26 (section 1 d)

**4. Other tasks**

a. manage and operate TFFAuto, which is the national insurance register for vehicles, on behalf of its members to ensure proper implementation of statutory tasks

b. coordinate cooperation between the authorities and members, as well as between members in areas that form a natural part of the Bureau's operations

c. expansion of TFFAuto to digitise various processes that are not statutory, but that the industry considers appropriate to resolve jointly

**§ 4 – ANNUAL GENERAL MEETING**

The Annual General Meeting is the Bureau's highest body. All members can participate.

The Annual General Meeting is held each year, according to the provisions of the Norwegian Accounting Act, by the end of the month of June. It is summoned by the Board with at least 14 days notice. The notice of meeting specifies the topics for discussion. The Annual General Meeting approves the Board's Annual Report and Accounts, elects the Board members, including the Chairman of the Board, and the Bureau's auditor, and deals with the matters that are decided to be presented. Proposals to be submitted to the Annual General Meeting must have been received by the Board by 01.04.

The Chairman of the Board leads the Annual General Meeting.

The Board can decide that an Extraordinary Annual General Meeting should be held. At least 10% of the members can request an Extraordinary Annual General Meeting. Members within the same corporate group are considered as one member in this regard. The provisions of this section and § 5 also apply for an Extraordinary Annual General Meeting.

**§ 5 - VOTING RIGHTS ETC.**

Only members who have vehicles registered as insured in TFFAuto in the previous calendar year have voting rights at the Annual General Meeting. Whomever has been designated by the company to participate in the Annual General Meeting and to vote must either be a permanent employee of the company or provide written authorization from the company that he/she represents. No-one can represent more than one company, although one representative may represent several companies within the same corporate group.

At the Annual General Meeting, the members have voting rights in relation to market share as a percentage, based on the member's average number of insured vehicles in TFFAuto

Members' voting rights are calculated as follows:

- Up to 1% of the number of vehicles gives one vote.
- Up to 2% of the number of vehicles gives two votes.
- Up to 3% of the number of vehicles gives three votes.
- Up to 4% of the number of vehicles gives four votes.
- Up to 6% of the number of vehicles gives five votes.

Furthermore, the members are given one additional vote for each commenced 2% of the number of vehicles in excess of 6%. The number of votes resulting from this calculation is the Bureau's total number of votes. One member or members in the same corporate group cannot vote for more than 20% of the number of votes.

All decisions are made by ordinary majority, although changes to the statutes require a 2/3 majority. With parity of votes, the Chairman of the Board has the deciding vote.

#### **§ 6 - BOARD OF DIRECTORS**

The Board leads the Bureau's operations. The Board of Directors consists of the Chairman of the Board and up to 8 members, of whom 2 members are selected on grounds of specific competence. The Bureau's Managing Director is not a member of the Board. The Managing Director has compulsory attendance, and the right to speak, at the board meetings. Members of the Board, including the Chairman of the Board, are elected for 2 years and may be re-elected. If he or she has acted as Chairman of the Board for 3 consecutive periods, the Chairman of the Board is ineligible for re-election the following year. The Deputy Chairman is elected by the Board of Directors.

The Board has a quorum when at least 4 members are present. The Board's decisions are approved by ordinary majority. With parity of votes, the Chairman of the Board has the deciding vote.

#### **§ 7 - EXPERT COMMITTEES, WORKING GROUPS, ETC.**

The Board can establish expert committees, working groups etc. as needed. The Board determines the remit/mandate and term of office.

#### **§ 8 - ACCOUNTS**

Accounts are recorded in accordance with good accounting practice and pursuant to applicable laws and regulations, as well as in accordance with the decisions made by the Annual General Meeting or Board of Directors.

In the accounts, separate figures are recorded for each independent area within the Bureau – that is, damage caused by unknown and uninsured motor vehicles, as well as damage caused by foreign motor vehicles.

#### **§ 9 - COST COVERAGE AND SETTLEMENT**

The applicable fee shall in accordance with the regulation on the fee for uninsured motor vehicles "be exclusively used to cover the Norwegian Motor Insurers' Bureau's operating and recovery costs for damage caused by uninsured motor vehicles, costs for damage caused by unidentified motor vehicles, and taxes to the state".

The Parliament's decision states that "to cover the cost of the increased number of damages, in particular in the first few years, there will be a need for a surplus as provision for damages that are not settled in the year the damages take place".

The Bureau's costs not covered by income from collected fines may be covered by prepayment from the members, distributed by market share as a percentage and based on each member's average number of insured vehicles as it appears in TFFAuto for the previous calendar year.

The credit balances of the member companies as per 31.12.2017 will be held for the time being as a reserve for coverage of previous damages.

Settlement of collected prepayments shall be made the following year, when the final distribution of compensation payments per year is ready. Compensation paid by the Bureau under the Norwegian Automobile Liability Act section 10 in the 2017 claims year and earlier shall be settled with the members in proportion to their earned premiums (before reinsurance) in direct Norwegian Automobile Liability Insurance in the particular claims year. For payments applicable to the 2018 claims year and later, compensation is settled and distributed according to the market share as a percentage based on the member's average number of insured vehicles as this appears in TFFAuto in the particular claims year.

#### **§ 10 - DISTRIBUTION OF PROFIT/LOSS**

Any surplus of collected fees in accordance with the Parliament's decision may be "depreciated against the provisions the Bureau has for occurred, but not yet reported, damages and reported, but not yet settled, damages".

Profit from collected fees shall not be distributed to the members.

Should there be an annual profit/loss from prepayment from the members related to damages caused by uninsured and unknown vehicles, this shall be distributed to the members according to market share as a percentage based on each member's average number of insured vehicles as this appears in TFFAuto for the previous calendar year.

The Annual General Meeting decides whether the annual profit/loss from prepayment by the members should be paid out/collected.

#### **§ 11 - RIGHT OF RECOURSE**

In the event that recourse against a particular company may be relevant, the Bureau will keep the company informed of proceedings on an ongoing basis.

Each company is obliged to approve the transactions the Bureau has made before finally deciding that the claim should be charged to the company.

If the Bureau, in accordance with guarantees provided for Norwegian motor vehicles driving outside Norway, is charged with liability for damages beyond that which the particular company with reinsurers is able to pay, liability is distributed between the member companies in relation to the percentage of market share, based on the member's average number of insured vehicles in TFFAuto in the particular claims year.

#### **§ 12 - WITHDRAWAL OF MEMBERSHIP**

A member may withdraw its membership of the Bureau when it no longer has insured vehicles registered in TFFAuto. Withdrawal shall be notified in writing to the Board by registered mail and takes effect from the expiry of the year in which the withdrawal is registered.

A member who has withdrawn from the Bureau is responsible for the obligations it has incurred as a member and, unless otherwise agreed, is obliged to provide security, approved by the Board, for its obligations.

A member who has withdrawn its membership is not entitled to a share of the Bureau's capital.



### **§ 13 - ARBITRATION**

In the event of a dispute between the Bureau and a member, the dispute shall be decided by arbitration. If the member in question and the Bureau fail to agree on who should be entrusted with the role of arbitrator, the Chief Justice of Oslo City Court appoints three arbitrators, unless both parties agree to have only one arbitrator. The Court of Arbitration decides with binding effect how arbitration costs are to be distributed between the parties, or whether one of the parties should bear these in full.