

**NPTCC's Substantive Response to
EU Commission Public Consultation on
REFIT Review of Directive 2009/103/EC on motor insurance (VNUK)
18/10/2017**

1. All regulated motorsport activities in the UK take place under an organising permit issued by the Motor Sports Association (MSA) and are automatically covered under an umbrella public liability insurance policy maintained by the MSA for the sport, currently with cover up to £67 million. All competitors and officials at such events are also automatically covered under an umbrella personal accident insurance policy. The claims incidence under these policies is typically less than 50 claims in any given year.

The legal position as to the duty of care owed by one competitor to another, in any sport, has been long established by common law in the UK. It is often the nature of competition that those taking part are pushing themselves close to their maximum capability. The standard is recognised as a very different degree of care from that owed by one public road user to another.

Competitors in motor sport recognise and understand the risks which they may face, and they have the opportunity to make a risk-based decision as to whether they wish to insure themselves against injury or other loss, and to insure their equipment (a competition vehicle) against damage or other loss. Competitors also explicitly recognise the risks at the point they sign-on to every event. Much of MSA regulated motor sport takes place either at low speed, or in running order one after another, and in circumstances where risks are relatively low.

2. Given the third-party liability insurance provision that already exists for all regulated UK motorsport, we would argue that motorsport already embraces the spirit of the European Court's 2014 Vnuk judgement in relation to its own activities and that the imposition of compulsory MTPL insurance on the sport is both unnecessary, unwarranted and totally disproportionate, having regard to the consequential negative economic and social impacts that would result.

3. According to insurance industry sources, no Motor Third Party Liability insurance will be available to cover motorsport activities, therefore, motorsport would cease to exist in Europe. The forced closure of European motorsport will be a direct consequence of this Directive unless the wording is amended to limit obligatory insurance so that it only applies to vehicles used in traffic.

4. The estimated economic and social impacts of this would be considerable and totally disproportionate to the perceived problem - see point 7 below.

5. Northern Phoenix's particular branch of motorsport takes place exclusively within rural communities and brings together a diverse range of competitors, volunteers and other participants aged between 14 and 80 years of age from a variety of social and ethnic backgrounds. It not only provides social interaction in often remote rural areas but also helps support rural economies and farm diversification through a combination of fees paid to landowners for the use of their sites, overnight accommodation, food and refreshments etc.

6. Given the immediate cessation of European motorsport that would arise from the current interpretation of the Vnuk judgement, we challenge the statement in the MID Impact Assessment that "the main economic impact is likely to be on the level of premiums paid by motor policyholders". By far the more significant impact, should Option 3 fail to be the chosen amendment, will arise from the loss of tens of thousands of motorsport jobs and billions of euros in motorsport sales and investment across EU Member States. The closure of thousands of motorsport-related businesses, who transact more than euro 25 billion each year, will be added to the total loss of an important sporting activity enjoyed by millions of European people.

7. We dispute the impact assessment's assertion that "there is no impact on fundamental rights", given the loss to the public of the entire sport of motorsport and its long cultural history across the EU. Principle 6 of the IOC's Olympic Charter specifically states "the practice of sport is a human right". The EU's revised European Sports Charter of 2001 confirmed the importance and social value of sport and their European Economic and Social Committee in 2011 stated "sport contributes to the cultural and social life for both the individual and society as a whole"

8. We strongly support your Option 3 as being the correct interpretation and that the place of use should be defined as being 'in traffic only', as defined in the REFIT review of the Motor Insurance Directive Impact Assessment. It is not the 'function of the vehicle' which matters but the 'place of the vehicle' is in use.