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**COMMON MARKET FOR EASTERN
AND SOUTHERN AFRICA**

Fourth Workshop of the National Coordinators of the Yellow Card Scheme

Addis Ababa, Ethiopia
13 –15 August 2019

**REPORT OF THE FOURTH WORKSHOP OF THE NATIONAL
BUREAUX COORDINATORS OF THE YELLOW CARD SCHEME**

I. INTRODUCTION

1. The Fourth Workshop of the National Coordinators of the Yellow Card Scheme to review the Yellow Card Scheme instruments was held from 13th to 15th August 2019, in Addis Ababa, Ethiopia, at the Ethiopian Skylight Hotel.

II. ATTENDANCE, OPENING OF THE MEETING, ADOPTION OF THE AGENDA AND ORGANISATION OF WORK

Attendance

2. The workshop was attended by Yellow Card Coordinators, National IT focal persons from Burundi, DR Congo, Djibouti, Ethiopia, Eritrea, Kenya, Rwanda, Uganda and Zambia. Also in attendance were representatives from ZEP-RE- Pool Managers of the Yellow Card Scheme, COMESA Secretariat, and representatives from Primary Insurance companies from the Ethiopian Insurance Industry. The list of participants is attached to this report as Annex I.

Opening of the Meeting (*Agenda item 1*)

3. The Workshop was officially opened by Honourable Mulu, G/Egzabher, State Minister for the Ministry of Transport of the Federal Democratic Republic Ethiopia. In her opening remarks, she welcomed the participants to Addis Ababa, Ethiopia and wished them a pleasant stay.

4. The Honourable Minister underscored the importance of the Yellow Card Scheme to intra-transit traffic in the region and its impact on intra-COMESA trade and tourism as evidenced by its wide usage. She praised the Insurance Industry in the COMESA Region for the successful implementation of the Yellow Card Scheme and expressed satisfaction on the achievements recorded by the Scheme.

5. She pointed out some of the challenges of the Yellow Card Scheme and emphasized on the need to review the Instrument in line with the implementation of the digital Yellow Card. She also welcomed the workshop as a technical enrichment exercise which should be appreciated by all in the operations and administration of the Scheme and called upon the participants to come up with measures to address issues of the Yellow Card Scheme.

6. In conclusion, the Honourable Minister thanked the COMESA Secretariat for organizing the workshop in Ethiopia and wished all the participants a fruitful deliberation.

7. Earlier, the representative of COMESA Secretariat, Mr. Berhane Giday, Chief Programme Officer (CPO) of the Yellow Card and RCTG Schemes, on behalf of Ms. Chileshe Mpundu Kapwepwe, the Secretary General of COMESA, joined the Chairperson in welcoming all the participants to the Fourth Workshop of the National Coordinators of the Yellow Card Scheme. He also extended a special welcome to the delegate from the National Bureau of Eritrea, who was attending a Yellow Card Meeting for the first time after long period of absence.

8. Mr. Giday informed the workshop that COMESA was working on establishing a COMESA digital Free Trade Area (DFTA) for the twenty one COMESA Member States whose focus is on

three thrusts, namely: E-trade, E-Logistics and E-Legislation. He further informed the workshop that the DFTA as an online platform would enable buyers and sellers in the region to trade online.

9. The CPO stated that inline with the DFTA initiative, the COMESA Yellow Card Secretariat had been working hand in hand with National Bureaux for the last two years to develop and rollout the digital Yellow Card platform which is now operational in all the Yellow Card Members countries.

10. In concluding his statement, the Chief Programme Officer called upon the participants to thoroughly review the Yellow Card instruments taking into account the decisions and recommendations of the Council of Bureaux and Management Committee meetings and implementation of the digital Yellow Card.

11. The delegate from the National Bureau of Zambia, Mrs. Mavis Ndumba, the Manager Motor, Marine and Aviation Department of ZSIC General Insurance and Yellow Card National Coordinator for Zambia moved a vote of thanks on behalf of the delegates. In passing her vote of thanks, Mrs. Ndumba thanked the Guest of Honour, Honourable Mulu G/Egzabher for finding time from her busy schedule to come and officiate at the opening of the Fourth Workshop of the National Bureaux Coordinator of the Yellow Card Scheme. She also thanked the National Bureau of Ethiopia, Ethiopian Insurance Corporation (EIC) for hosting the workshop and for the warm reception accorded to the delegates since their arrival in Addis Ababa, Ethiopia. She then assured the Guest of Honour that the workshop will thoroughly review the Yellow Card instruments and come up with proposals that would enhance the efficiency of operation of the Yellow Card Scheme.

Adoption of the Agenda and Organisation of Work (*Agenda item 2*)

12. The meeting adopted the following Agenda:

1. Opening of the Meeting
2. Adoption of the Agenda and Organisation of Work
3. Transformation through Digitalization
4. Digital Yellow Card – Reviewing the Production and Claims Modules
5. Proposed changes in the Yellow Card Scheme Instruments
6. Reviewing of the Yellow Card Scheme Instruments:
 - a. The Protocol on the Establishment of a Third-Party Motor Vehicle Insurance Scheme
 - b. The Inter-Bureaux Agreement for the Implementation of the Third-Party Motor Vehicle Insurance Scheme
 - c. The Manual on the Operations of the Yellow Card Scheme and Reinsurance Pool, and
 - d. Rule of procedures of the Council of Bureaux
7. Reviewing of the Reinsurance Pool Instruments of the Yellow Card Scheme

- a. The Constitution of the COMESA Yellow Card Reinsurance Pool
 - b. The COMESA Yellow Card Reinsurance Pool Management Agreement, and
 - c. Rule of procedures of the Management Committee of the COMESA Yellow Card Scheme
8. Any Other Business
 9. Adoption of the Report and Closure of the Meeting
13. The meeting agreed on the following working hours:
- Tuesday, 13th August 2019**
- 09.00 hours - 13.00 hours - Morning
14.00 hours – 17.30 hours - Afternoon
- Wednesday, 14th August 2019**
- 09.00 hours - 13.00 hours - Morning
14.00 hours – 17.30 hours – Afternoon
- Thursday, 15th August 2019**
- Free morning for delegates
- 16.0 – 17.00 hours – Adoption of the Report and Closure of the Meeting

III. ACCOUNT OF PROCEEDINGS

Transformation through Digitalization (*Agenda item 3*)

14. A representative of the Secretariat made a power point presentation on the Transformation through Digitalization. In doing so, he informed the workshop of the overall direction, objectives and focus of Digitalization and highlighted the opportunities and challenges of embracing Digitalization. The meeting was further informed of the past and present performance of the Yellow Card Scheme and the future planned targets and strategic objectives designed to achieve the planned outcome of transformation of the Yellow Card Scheme through Digitalization.
15. The workshop was further informed that the success of the transformation through digitalization and strategic plan depends on the following success factors namely: allocation of adequate resources, leadership, capacity building, empowering workers, upgrading tools and communication.
16. The workshop noted the presentation with appreciation.

Digital Yellow Card: - Reviewing the Production and Claims Modules (*Agenda item 4*)

17. On this agenda item, the Secretariat made two separate presentations, namely:
- a) Power point presentation on the overview of the Yellow Card Scheme business process; and
 - b) A walk-through/ demonstration on the digital Yellow Card production and claims Modules.
18. As regard to the presentation on the overview of the Yellow Card Scheme business process, the workshop was informed that the Yellow Card business process hinges on the three pillar business stages, namely: Stock Management, Yellow Card issuance, claims handling and the presentation further highlighted activities involved in each stage of the business process.
19. During the walk-through demonstration on the digital Yellow Card platform, the workshop was taken through the various steps of the issuance process of the digital Yellow Card and claims handling modules. A detail demonstration of the revised claims module which contains six key claim process elements was presented as follow:
- a) Accident Notification, Verification and Registration;
 - b) Claims registration and reserving;
 - c) Claim documentations;
 - d) Investigation, assessment and evaluation;
 - e) Negotiation and settlement; and
 - f) Reimbursement by issuing Primary Insurance Companies (PICs) through their National Bureau and the Pool Managers.
20. In the discussion that followed the workshop commended the Secretariat for the complete revised claims module developed and made the following observations:
- i. Ensure that all the necessary claim supporting documents would be uploaded on the system; and
 - ii. The systems should allow:
 - a) registration of multiple Third Party claimants arising out of a single accident which might not have been reported at the same time;
 - b) re-opening of settled claims file upon presentation of court judgments in favour of the third party; and
 - c) revision of the claim reserve amount at different stages of the claim.
21. The workshop further advised that underwriters should enter correct insured and vehicle details in the Digital Yellow Card platform in accordance with log book.

Proposed changes to the Yellow Card Scheme Instruments (*Agenda item 5*)

22. A representative of the Secretariat made a presentation by highlighting the proposed changes in the Yellow Card Instruments in accordance with the decisions and recommendations of the Council of Bureaux and Management Committee meetings and the implementation of the Digital Yellow Card.

23. The workshop noted the presentation with appreciation and made observation that the IT Committee should come up with an alternative option (plan B) to continue issuance of Yellow Cards to motorists when the internet down.

Consideration of Reports of the Breakaway Sessions (*Agenda items 6 & 7*)

24. In line with the organization of work adopted, the participants were divided into three breakaway sessions to consider the various Yellow Card Scheme and Reinsurance Pool instruments as follows:

- a. **Group one:** Reviewed the Operations Manual of the Yellow Card Scheme and Reinsurance Pool
- b. **Group two:** Reviewed the following instruments:
 - i. The Protocol on the Establishment of a Third-Party Motor Vehicle Insurance Scheme;
 - ii. The Inter-Bureaux Agreement for the Implementation of the Third-Party Motor Vehicle Insurance Scheme; and
 - iii. Rule of procedures of the Council of Bureaux.
- c. **Group three:** Reviewed the following instruments:
 - i. The Constitution of the COMESA Yellow Card Reinsurance Pool;
 - ii. The COMESA Yellow Card Reinsurance Pool Management Agreement; and
 - iii. Rule of Procedures of the Management Committee of the COMESA Yellow Card Reinsurance Pool.

25. The breakaway sessions deliberated on the proposed changes item by item and recommended changes in the instruments. The rapporteurs of each groups presented their reports for consideration by the plenary.

26. The plenary having deliberated on the reports presented by each group, made observations and recommendations as follows:

GROUP ONE

27. Recommendations submitted by Group one and adopted by the Plenary were as follows:

OPERATIONS MANUAL OF THE YELLOW CARD SCHEME AND REINSURANCE POOL

SECTION I – UNDERWRITING – GENERAL DIRECTIVE

28. Defining digital Yellow Card, insert an item **Section 1.2.3** as follows:

1.2.3 Digital Yellow Card is an online Yellow Card issued in the Digital Platform of the Yellow Card Scheme which can be rendered in the form of Computer printable Yellow Card and/or e-Yellow Card.

29. On issuance of Yellow Cards, insert an item **Section 1.3** as follows:

1.3. Issuance of Yellow cards

The issuance of Yellow Cards shall only be done through the digital Yellow Card platform and any Yellow Card issued outside the digital platform shall be considered as null and void. Any claim reported from a Yellow Card issued outside the the Digital platform should not be accepted and the claimant should be informed that the Yellow Card is not genuine.

30. To reflect computer printable Yellow Card, insert **Computer printable** under **Section 1.6.1** (a) as follows:

1.6.1 The practical day-to-day operation of the Scheme is the responsibility of the National Bureau in each participating state. The National Bureau has the following functions:

(a) It acts as the Issuing Agency: it is responsible for obtaining/supplies of **Computer printable** Yellow Card Books/Pads from the printers and making them available to member insurance companies for issuing;

31. Regarding communications, insert **Digital Yellow Card platform** under **Section 1.8.3** as follows:

1.8.3 A National Bureau shall make use of the **Digital Yellow Card platform**, and e-mail services in corresponding among them and with the Secretariat and the Reinsurance Pool.

32. Regarding Statistical Data, amend **Section 1.9.6** to read as follows:

1.9.6 The **Digital Yellow Card system** shall maintain detailed statistical data on Yellow Card underwriting and claims **handled through the system**.

SECTION II – UNDERWRITING – PROCEDURES

33. To reflect digitalization on issuing of Yellow Card, amend **Section 2.7.1** and insert **2.7.2**, **2.7.3** and **2.7.4** as follows:

2.7.1 Each National Bureau shall **supply** Yellow Cards pads to its member **Primary Insurance Companies (PICs) and the PICs to their Branches using the stock module of the Digital Yellow Card system**. The members shall issue such cards to their respective insured **using the issuance module of the Digital Yellow Card platform**. The following conditions shall be strictly observed when issuing Yellow Cards:

(a) All information and data required should be entered into the **Digital Yellow Card system and no Yellow Card issued outside the Digital Yellow Card System shall be accepted**

2.7.2 **Each Primary Insurance Company, member of the National Bureau, shall follow the steps below during issuance of Yellow Cards using the Digital Yellow Card syatem:**

- a) **Capture the following details on the template provided on the issuance module:**
 - (i) **Name of Insured**
 - (ii) **Contact details such as postal address, email and mobile no.**
 - (iii) **Primary Policy details such as policy number and period**
 - (iv) **Yellow card period**
 - (v) **Vehicle details such as registration no, engine number, chassis no., colour, make and model, type of body, number of seats and use of vehicle**
 - (vi) **Yellow Card Serial number**
 - (vii) **Countries covered; and**
 - (viii) **Premiums, tax and levy applicable and any other charges**
- b) **Preview the accuracy of data captured and verify the details;**
- c) **Issue the digital Yellow Card through the YC-MIS; and**
- d) **Print the details on the computer printable Yellow Card papers with security features.**

2.7.3 **Upon issuance of the Yellow Card, the Digital Yellow Card system shall generate and send the e-Yellow Card to the insured's email address introduced into the digital system.**

2.7.4 **The Digital Yellow Card system shall also send SMS/push notification, on the Yellow Card issued, to the insured's mobile number introduced into the digital system.**

34. To reflect **Computer Printable** Yellow Card, amend **2.7.5** to read as follows:

2.7.5 The **Computer Printable** Yellow Card shall have two-copies; namely the **original** Yellow Card with **security features**, and the **file** copy. The file copy shall be for the use of the issuing insurance company.

35. To define "**Non-resident motor vehicles**", insert **Section 2.7.6** as follows:

2.7.6 "**Non-resident motorist**" means **motorist with vehicle registration plate number different from the vehicle registration number of country where Yellow Card is requested to be issued.**

36. To reflect the Digital YC system on **Cancellation of Yellow Card**, insert **Section 2.9.1** and amend **2.9.2** as follows:

2.9.1 **Issued Yellow Cards shall be cancelled in the Digital YC System under the following circumstances:**

- a) **A mistake occurred on entering data in the Digital YC System;**

2.9.2 **The issuing officer shall follow the steps below in cancelling the issued Yellow Card:**

- a) **Retrieve the issued Card;**
- b) **Rule two lines prominently across the concerned Yellow Card and the words "Cancelled" shall be written in between the two ruled lines; and**

- c) **Capture the reason for cancellation of the Card and upload the copy of the scanned cancelled card into the template provided on the issuance module of the Digital YC System.**

37. To reflect notification of accident through the digital YC System and Mobile app., insert **2.10.2 (ii)** as follows;

2.10.2 (ii) **“The notification of accident can be done through the Digital Yellow Card System using the mobile application”**

38. To facilitate renewal of YC online through the Digital YC System, insert **2.10.2 (b) i.** as follows;

2.10.2 (b) i. **Contact its issuing National Bureau/Primary Insurance Company to get renewal or extension of the Yellow Card online through the Digital YC System**

39. To reflect generation and submission of returns through the Digital system, under **Section 2.11 Reinsurance Pool**, insert 2.11.1, 2.11.2 and 2.11.3 as follows:

2.11.1 **The Digital YC System shall generate a Summary of Monthly Yellow Cards issued by each issuing Primary Insurance Company based on the template (attached as Annex (i));**

2.11.2 **The Digital YC System shall generate the debit notes for settlement of premium returns by issuing PICs to the Pool Account;**

2.11.3 **The Pool Managers shall sign and seal the generated debit notes for each PIC and upload in the Digital YC system to facilitate the transfer of the funds; and**

2.11.4 **The issuing PICs shall make online transfer/settlement of premium returns before the end of the following month.**

40. On remittance of premium, insert **Digital YC System** on **section 2.12.4** and amend **2.12.6** as follows:

2.12.4 The **Digital YC System** shall ensure that the premium ceded to the Reinsurance Pool is 30 per cent less reinsurance commission of the total original premium collected by the primary insurer from the insured.

2.12.6 The National Bureau shall decline to **supply** Yellow Cards to Primary Insurance Companies who **would** fail to **transfer/settle** the Yellow Card **Pool** returns for a **period** more than **one (1) month and withdraw them from accessing the Digital YC System. The access will be restored to the PIC as soon as it settles the return due for 30 days**

SECTION III – CLAIMS GENERAL DIRECTIVES

41. To reflect claims handling through the digital YC System, amend **Section 3.1.2** as follows:

3.1.2 The Handling Bureau shall handle Yellow Card claims in line with the normal claims handling practices, **In doing so, the Handling Bureau shall make use of the Digital YC System and follow the steps below thus;**

- (a) Receive notification;
- (b) **Capture the accident details;**
- (c) Carry out **verification of the accident details;**
- (d) **Carry out investigations and upload documentation of the claim on the Digital YC System;**
- (e) Carry out an assessment and evaluation of loss and **upload assessors/inspection report;** and
- (f) Conduct negotiations, **settle** the claim and **upload supporting documents on the Digital YC System**

42. Regarding notification of accidents, amend **Section 3.2** as follows:

3.2 Notification

The Handling Bureau shall as soon as is possible **receive notification of accident from the insured through walk in, email, SMS and Digital YC system mobile application.**

43. To reflect the usage of Digital YC system on verification of validity of Yellow Cards, amend **Section 3.3** as follows:

3.3 Verification

The Handling Bureau shall verify the **Yellow Card number through the Digital YC System to ensure the Card is issued through the system before registering and handling claims**

44. On **Section 3.7 Common Excess of Loss Reinsurance Settlement Limit**, insert **“including loss of use for commercial vehicles”**. On **Sections 3.10 and 3.11.1** insert **“using the digital YC system”** to reflect digitalization. Regarding, **Claims from the Common Excess of Loss Reinsurance**, insert at the end of **Section 3.11.2 “loss of use”** to include loss of use in the claim settlement.

SECTION IV – CLAIMS PROCEDURES

45. To reflect the digital YC system in claims procedures, amend **Sections 4.1.2, 4.1.3, 4.2.1, 4.3.2, 4.4.3, and 4.4.4** as follows:

4.1 Notification of Claims

4.1.2 As soon as any accident is notified, the Handling Bureau, without waiting for a formal claim against the holder of the Yellow Card, shall:

- a) **online verify the validity of the Yellow Card involved in an accident;**
- b) **enter accident details into the digital YC System such as**
 - i) **Vehicle details (registration no, make/model, body type,);**
 - ii) **Driver details (Name, address, and phone no);**

- iii) **Driver License details (no, issuing authority and date of issue);**
- iv) **Particulars of the accident (place, date and time, and description of the accident) and**

4.1.3 The digital YC System shall send email notification of the accident to the issuing National Bureau/ and Primary Insurance Company and Reinsurance Pool.

4.2.1 Through the digital YC system, verify the online real data of the Yellow Card and check whether the Yellow Card is genuine and has been correctly issued, signed and duly stamped.

4.3.2 After registration of details of the accident into the digital YC system by the Handling Bureau, the digital system shall notify the accident to the Issuing Bureau and the primary insurance company that issued the Yellow Card to the policyholder.

4.4.3 The Handling Bureau, shall enter in the digital YC system full details of the nature of the accident, indicating the nature and extent of loss, material damage, bodily injuries and/or death, medical expenses and details of proposed settlement terms.

4.4.4 The total amount of the claim shall include compensation to be paid for material damage, bodily injuries, or death, cost of emergency medical expenses, legal expenses, including loss of use as provided under the compulsory third party insurance law, other incidental costs reasonably incurred or the agreed amount where settlement is made amicably except the handling fees due to the Handling Bureau.

46. Reflect **the digital YC system** on claim settlement limits under Sections 4.6.1 and 4.6.2 as follows.

4.6 Claims Settlement Limits

4.6.1 Where the settlement of a claim is equal to or below US\$15,000 per claim, the Handling Bureau shall effect payment without prior authorisation from the Issuing Bureau, and **the digital YC system** advise the Issuing Bureau who shall reimburse the Handling Bureau.

4.6.2 The Handling Bureau shall claim for reimbursements through the Reinsurance Pool Clearing Facility, **using the digital YC system** from the Issuing Bureau for settled claims below or equal to US\$15,000.

47. To reflect the Digital YC system on the reimbursements through the Pool Clearing House, amend Sections 4.7.1, 4.7.2, 4.7.4, 4.7.5 and 4.7.8 as follows:

- 4.7.1 The digital YC system shall notify the Reinsurance Pool claims settled by the Handling Bureau** which are below or equal to US\$15,000 in respect of each and every claim.
- 4.7.2 The Handling Bureau shall issue and upload in the digital YC system an Advice for Reimbursement of Paid Claims (attached as Annex (iii)) to the Reinsurance Pool showing the claims reimbursements to be made with all required supporting documents for reimbursement of claim;**
- 4.7.3 The Reinsurance Pool shall confirm the validity of the paid claims submitted for reimbursement from the Primary Insurance Company through the Issuing Bureau within thirty (30) days from the date of the request before reimbursement is effected;**
- 4.7.4 The Reinsurance Pool shall reimburse the Handling Bureau within thirty (30) days from the date of advice for reimbursement and effect the necessary recoveries from the Issuing Bureau and advise the Secretariat;**
- 4.7.5 The Issuing Bureau shall recover from the Primary Insurance Companies and refund the Reinsurance Pool, claims reimbursement payments effected on its behalf to Handling Bureau within thirty (30) days from the date of advice of reimbursement;**
- 4.7.8 The digital YC system shall generate quarterly statements of accounts on reimbursements made between the National Bureaux for claims paid on a Reinsurance Pool on the template attached as Annex (iv).**

48. To reflect the MC recommendation on limitations on the Pool's Clearing House Facility, insert Section 4.8 as follows:

4.8 Limitation on the Pool's Clearing houses facility.

The Clearing House Facility provided by the YC -Reinsurance Pool for Inter-Bureaux claims is limited upto a maximum of US\$100,000 per National Bureaux with the exception of the National Bureaux of Ethiopia and Djibouti.

49. To reflect the digitalization of Yellow Card, include the term "using digital YC system" in the following sections:

- a) Section 4.12 Claims Exceeding US\$ 15,000;**
- b) Section 4.13 Monthly Statements, Reports, and Borderaux; and**
- c) Section 4.15 Cash Calls**

SECTION V - ACCOUNTING

50. To reflect digitalization, amend **Section 5 Accounting**, as follows:

- 5.1.1 **The digital YC system shall render a Quarterly Statement of Claims Account on a template attached as Annex (xii) on the next day of the end of the quarter regarding the Current Accounts between a Handling Bureau and the Issuing Bureau, in respect of claims settlements.**
- 5.1.2 **The Issuing Bureau shall confirm the current accounts referred to in item 5.1.1 above no later than one week after the Digital YC System renders them by uploading the confirmation on the system and any balance shall be settled before the end of the month.**
- 5.2.3 **The Issuing and Handling Bureau and Reinsurance Pool will confirm these accounts, by uploading the confirmation on the Digital YC System not later than one (1) week and any balance shall be settled within 30 days.**

SECTION VI – OBLIGATION

51. On **Section 6.1 Measures on members failing to meet their obligations**, amend **Sections 6.1.1 a, b & c** as follows:

- 6.1.1 National Bureau shall take measures on member insurance companies that fail to meet their obligations as follows:
- (a) **Restrict access** with immediate effect **from the digital YC system**, those members who have not-remitted returns of Yellow Cards issued to the Pool for three months or more, until they meet their obligations;
 - (b) **Restrict access** with immediate effect from the **digital YC system** those Members who have not settled claims paid on their behalf; and
 - (c) Report the issues to the designating Ministry or **the Insurance Supervisory Authority** and request for intervention to pressurize the issuing company to meet its obligation.

SECTION VII – SECURITY OF DOCUMENTS

52. On **Section 7.2 Yellow Card Security Feature**, amend items 7.2.2 (d) as follows:

7.2.2(d) **Each issued Card has a serial number and a unique system generated Yellow Card number and QR code for verification**

53. On Section 7.2.3, the International Organization for Standardization (ISO) **ISO 3166 standard – Codes for the representation of names of countries** was adopted

GROUP TWO

54. Recommendations submitted by Group two and adopted by the Plenary were as follows:

PROTOCOL ON THE ESTABLISHMENT OF A THIRD- PARTY MOTOR VEHICLE INSURANCE SCHEME

55. The group considered the Protocol of the Yellow Card and did not make any recommendations for change as the protocol was signed by high level parties (heads of states) and any changes would require Council of Ministers engagement and referral to various inter governments for their input before changes are effected.

INTER-BUREAUX AGREEMENT FOR THE IMPLEMENTATION OF THE THIRD-PARTY MOTOR VEHICLE INSURANCE SCHEME

56. **Article 1- Definition:**

- i. Proposed for the introduction of a new definition for Digital Yellow Card; and
- ii. Definitions of YC-MIS; and e-Yellow should be revised and be made more clear.

57. **Article 2.3- Issuing of Yellow Cards:** proposed to change the last wording in the provision to read “any Yellow Card processed outside the digital system shall be **null and void**” to replace the term “invalid”.

58. **Article 3.3- Claims handling:** Proposed for inclusion of the Pool among the entities to be notified of an accident. And the provision to read “the digital Yellow Card shall send email notification of an accident to the issuing National Bureau/primary insurance company and **the Pool**”

59. **Article 5.4- Claims settlement authorization limit:** proposed for the cross checking with the Operational Manual with the wording..... the issuing Bureau shall recover claims settled on its behalf from the Primary Insurance Companies (PICs) and reimburse the Pool within thirty (30) days...

60. **Articles 11- Compliance with Operational Manual:** Proposed for the change of the title of the Article to read “Compliance with Yellow Card Instruments”....To replace title of “Compliance with Operating Manual”

61. Proposed for the addition of a new Clause 11.2 to read as “Measures shall be taken against National Bureaux that do not comply with the Yellow Card Instruments as prescribed by the Council of Bureaux or as stipulated in the Yellow Card Instruments....”

RULES OF PROCEDURES OF THE COUNCIL OF BUREAUX

62. **Article 1- Definition:** Proposed for the addition of a new definition of Member Country to define countries that are members of the Yellow Card Scheme but not COMESA. Clarify with legal division on the definition of a Member Country. The definition of Member Country to read as “Member Country means a State that is a member of the Yellow Card Scheme”.

OPERATIONS MANUAL

63. Under Section 1.2.3: e-Yellow Card and the physical format should continue to be issued as per regulatory requirements of the various Member States.

64. Under Section 1.3: The YC-MIS should be the only processing system for Yellow Cards and no parallel manual system should be allowed.

65. Furthermore, Group two made the following observations:

- d) National Bureaux and their PICs should be encouraged to use the YC-MIS testing module and give their feedback;
- e) There is need to find out how Bureaux can co-operate and assist each other with regard to claims above limits; and
- f) Loss of use guidelines should be developed to determine scope and limits of losses payable

GROUP THREE

66. Recommendations submitted by Group three and adopted by the Plenary:

Constitution of the COMESA Yellow Card Reinsurance Pool

67. **ARTICLE 1 - Definitions:** Proposed the following amends:

- i. Delet "General Assembly" including its definition;
- ii. Provide explicitly what claims handling Bureau will handle.

Handling Bureau definition to read: "means the National Bureau that handles Yellow Card claims in the country where an accident occurs".

- iii. Replace "General Assembly" with "Council of Bureaux" wherever it appears in the document.

68. The above amendments to be reflected in the definitions and any reference to General Assembly thereafter in the document will be replaced accordingly.

69. **ARTICLE 4: Objectives of the Pool:** Proposed to include additional function for the Pool as follow:

- (e) Provide fund Management services to the funds of the Yellow Card Reinsurance Pool.

70. **ARTICLE 5: Organs of the Pool:** Replace "Organs" with "Governance"

71. **ARTICLE 6: Composition, Functions and Meetings of the General Assembly:**

- i. Item 4 (f) proposed that the MC should be given power to approve annual audited accounts of the Pool and Council of Bureaux should only ratify the accounts.

Item 4 (f) to read "***Ratify the annual audited accounts of the Pool***".

- ii. Item 7- Proposed to delete the sentence starting from "provided that the office bearers of the General Assembly shall at all times be the same as the office bearers of the Council of Bureaux.

Item 7 to read "***Subject to the provisions of the Protocol, this Constitution and the Inter-Bureaux Agreement, the Council of Bureaux shall determine its own rules of procedure for the conduct of its meetings***".

72. **ARTICLE 7: The Management Committee, Composition, Functions and Meetings**

2 (o), proposed to give power to the Committee to consider and approve the annual accounts of the Pool and addition function of determining Pool's banking and investment policies.

2 (o) to read "The Committee shall **Consider and approve the annual accounts of the Pool**" and

2 (p) to read "The Committee shall **determine the Pool's banking and investment policies**".

73. **ARTICLE 8: The Manager:** item 1

Proposed for the subjection of renewal of the Manager's management agreement to a competitive bidding process at each renewal and deletion of the last sentence of the Article.

Article 8, Item 1 to read "**The Manager shall be appointed for a term of three years and shall be eligible for re-appointment for one or more term (s) of three years provided that there shall be competitive bidding at each and every renewal and whose bids shall be submitted to the MC through the Secretariat**".

Item 4 (a) proposed to include the wordings "**Yellow Card Scheme**" and "**ceded by National Bureaux**" and add an addition responsibility of the Managers as item 4 (i) on the need for preparation and submission of Pool annual work plan.

Item 4 (a) to read "**accept Yellow Card Scheme business ceded by National Bureaux**" and

Item 4 (i) to read "**Prepare and submit annual work plan to the MC through the Secretariat**".

74. **ARTICLE 17: Dispute Settlement** - Made grammar correction of the word "failing" to read "failure to"

75. **ARTICLE 19: Official languages** - The Arabic language to replace the Portuguese and the Article to read "English, French and **Arabic**."

REVIEW OF THE YC REINSURANCE POOL MANAGEMENT AGREEMENT

76. In order to maintain consistency in the terminology used in all the instruments, it was proposed that the terminology "**General Assembly**" be replaced with "**Council of Bureaux**" wherever it shall appear in the document.

77. **ARTICLE 8: Functions of the Manager:** Proposed the following amends:

Item 3 (a) to insert the words "Yellow Card" and "ceded by National Bureaux".

Item 3 (a) to read "**accept Yellow Card business ceded by National Bureaux**"

Item 3 (g) Reports on the operations of the Pool to be submitted to the Committee through Secretariat.

Item 3 (g) to read “**submit reports on the operations of the Pool to the Committee through the Secretariat**”

proposed for inclusion of item 3 (h) to read “**Prepare and submit annual work plan to the MC through the Secretariat**”.

78. **ARTICLE 13, Commencement - Duration:** Proposed to change the period of the contract from Five (5) to three (3)

79. **ARTICLE 17 - AMENDMENTS:** Made a typo correction of “text” to “next”

80. **ARTICLE 18- SETTLEMENT OF DISPUTES:** Made a typo correction of “sixth” to “sixty”.

REVIEW OF RULES OF PROCEDURES OF THE MANAGEMENT COMMITTEE (MC)

81. The Rules of procedures of the Management Committee (MC) was considered and all rules governing proceedings of a Management Committee Meeting were found to be in order and hence no proposed amends were made to the document.

Any Other Business (*Agenda item 10*)

82. There was no any other business.

Adoption of the Report and Closing of the meeting (*Agenda item 11*)

83. The Meeting considered the draft report paragraph by paragraph and adopted the report after making some amendments.

98. At the closure of the meeting, the delegate from the National Bureau of Rwanda, Mr. Kalimba Jean Claude, Yellow Card Coordinator for Rwanda, thanked the Government and people of Ethiopia for the warm hospitality extended to the delegates during their stay in Addis Ababa. He also thanked the National Bureau of Ethiopia, Ethiopian Insurance Corporation for hosting the workshop and for the excellent facilities offered to the delegates. Mr. Claude commended the Chairperson for the manner he guided the meeting deliberations. He further thanked the COMESA Secretariat for the good organization of the meeting, the delegates for having found time to attend the meeting and for their valuable contributions they made during the deliberations.

99. In closing the meeting, the Chairperson thanked all the delegates for their valuable contributions and wished them a safe journey to their respective Countries.

Annex I

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