


**C/DEC 2/5/83 DECISION
RELATING TO THE
IMPLEMENTATION OF THE
ECOWAS BROWN CARD
INSURANCE SCHEME**



THE COUNCIL OF MINISTERS

MINDFUL of Article 6 of the ECOWAS Treaty establishing the Council of Ministers and defining its composition and functions;

MINDFUL of Article 40 of the Treaty on the Free Movement of Goods and persons between member states;



MINDFUL of the need to encourage the
Free Movement of Goods and Persons
between member states;

HAVING examined the 18-23 April, 1983
Conakry Report of the Transport,
Telecommunication and Energy Commission;

DECIDES

ARTICLE I

FOR THE EFFICIENT AND EFFECTIVE IMPLEMENTATION OF THE ECOWAS BROWN CARD:

Each Member State shall nominate a National Company or district body to play the role of National Bureau,

Each Member State shall establish a National Bureau not later than the 1st of August, 1983,

There shall be established a Council of Bureaux not later than 1st October, 1983,

Each Member State shall ensure the ratification of the Protocol before the 31st of December, 1983, in order for the ECOWAS Insurance Brown Card to enter into force definitively on the 1st of January, 1984.

ARTICLE 2

This decision shall come into force upon signature and shall be published in the Official Journal of the Community and in the National Gazette of each Member State.

**DONE AT CONAKRY THIS 7TH DAY OF MAY,
1983 IN SINGLE ORIGINAL IN THE
ENGLISH AND FRENCH LANGUAGES,
BOTH TEXTS BEING EQUALLY AUTHENTIC.
FOR THE COUNCIL HONOURABLE
MAMOUNA MALICK TOURE THE
CHAIRMAN.**

INTER - BUREAUX
AGREEMENT

**AGREEMENT FOR THE IMPLEMENTATION
OF ECOWAS BROWN CARD SCHEME
(INTER-BUREAU AGREEMENT)**

THIS AGREEMENT is made theday of
.....one thousand nine hundred and
..... (1984) BETWEEN

For the purposes of implementing the provision of Protocol A/PI/5/82 on the establishment of an ECOWAS Brown Card relating to Motor Vehicle Third Party Liability Insurance, the signatory National Bureau established in accordance with paragraph 3 of Article 1 of the Protocol have agreed to the following:

ARTICLE I

For the purpose of this Agreement the following words and expressions shall have meanings herein assigned to them and no other:

“Protocol” means the Protocol signed by Member States of ECOWAS establishing a West African Motor Insurance Scheme otherwise known as “the Brown Card”.

“Member” or “Insurer” means an insurance company or underwriting group which is a member of National Bureau.

“Issuing Bureau” means the National Bureau who supplied a Brown Card to an insurer and who has responsibility for the payment of claim arising under the Scheme.

“Handling Bureau” means the National Bureau of the Country where a motor accident occurs.

“Insured” means a person insured under policy of insurance that holds a valid Brown Card.

“Vehicle” means any motor Vehicle described either on a Certificate of Insurance or on the Brown Card.

“Brown Card” means the ECOWAS Brown Card issued by a National Bureau and delivered to an insured by a member. This card shall be deemed to be giving a motor third party liability insurance company for those guarantee required by the laws of countries for which the card is valid. The period of validity shall be stated on card, and shall in no case exceed that of the insurance policy.

“Insurance Policy” means a policy insurance issued by an insurer to an insured to cover liability arising out of the use of a vehicle.

“Accident” means an accident giving rise or liable to give rise to a claim against the insured as a result of the use of the insured vehicle.

“Council of Bureaux” means the body established under Article 6 of the Protocol.

ARTICLE 2

Each National Bureau shall issue Brown Cards to its members, and the members shall deliver such cards to their respective insured.

The issue of Brown Cards by National Bureau shall be in conformity with the provisions of Article 4 of the Protocol.

ARTICLE 3


- (a)** When an accident occurs in a country which is a party to the Protocol, in which a holder of a Brown Card is involved, and which may give rise to claim against him, the Handling Bureau in this Country shall receive all relevant notifications on behalf of the Insurer.

- (b)** As soon as any such accident is notified, the handling Bureau without waiting a formal claim against the holder of Brown Card, shall proceed with the normal investigations and evaluation of the loss.

- (c)** The Handling Bureau shall also notify the Issuing Bureau of the accident for further transmission to its Member who delivered the Brown Card to the Insured.
- (d)** Nothing in this Agreement relieves the Insured from the duty to notice to his insurer regarding the accident in which he is involved.

ARTICLE 4

- (a)** The Handling Bureau shall subsequently negotiate the claim with the Third Party or Parties on behalf of the member and submit to the Issuing Bureau a full report indicating the nature and extent of the material damage or bodily injuries supported by medical report as well as details of proposed settlement terms.



The total amount of claims per one accident shall include compensation to be paid to the third parties, legal expenses and other incidental expenses incurred with the exception of the handling fees due to the Handling Bureau.

- (b)** The Issuing Bureau shall not make payments arising from Court fines.

ARTICLE 5

Where the settlement referred to in Article 4 above does not exceed 3000 UA per accident the Handling Bureau shall settle and notify the Issuing Bureau which shall reimburse the Handling Bureau.

ARTICLE 6

Where the settlement is above 3000 UA per accident the Handling Bureau shall have to obtain prior approval of the Issuing Bureau and that of its member which delivered the Brown Card before the effective payment of the claim.

ARTICLE 7

The Handling Bureau shall be entitled to handling fees amounting to 3% of the amount of claims settled by it subject to the maximum of 1000 UA. For claims which have been closed without payment a flat fee of 100 UA shall be due to it.


ARTICLE 8

In all cases of negotiating or discussing a claim, the Handling Bureau shall act in full compliance with the requirements of insurance law of the country of accident and the Issuing Bureau shall ensure that this is done.

ARTICLE 9

All loss settlements made by the Handling Bureau within the terms of this Agreement shall be unconditionally binding upon the Issuing Bureau and their Members.

ARTICLE 10



The Handling Bureau may act through any one of its members, but shall be responsible for any acts carried out on its behalf.

ARTICLE II

Where a claim cannot be settled out of Court then only the Handling Bureau may accept service of any legal process against the Insured. In such a case, the Handling Bureau shall arrange legal defense of suit and the legal fees and expenses incurred thereby shall be charged to the account of the Issuing Bureau.

ARTICLE 12

- (a) The accounts between the Handling Bureau and the Issuing Bureau in respect of loss settlement under this Agreement shall be closed quarterly, and rendered by the Handling Bureau as soon as possible thereafter.
- (b) Accounts shall be confirmed by the Issuing Bureau within one month of the receipt, and any balance due shall be settled immediately thereafter.
- (c) Any payment hereunder shall be made in original currency of the settled claim.

(d) National Bureau in their dual capacity as Handling and Issuing Bureau may, at their discretion set up clearing systems affecting amounts due to or by them under this Agreement.


(e) Notwithstanding anything contained in this Agreement, the Handling Bureau may request from the Issuing Bureau immediate payment of any loss settlement which equals or exceeds 10,000 UA.

(f) If after three months since the close of a quarter or after the due date of an immediate payment, reimbursement has not been made to the Handling Bureau, an 8% compound interest rate per annum calculated after the due date shall be added to the sum due.

ARTICLE 13

THE Handling Bureau shall not knowingly appoint, without written consent of the Issuing Bureau or cause or permit a claim to be handled by any member or person or organization who by virtue of any contractual obligation is financially interested in the accident giving rise to a claim. A case of non-conformity of this article shall be referred to the Council of Bureau.

ARTICLE 14



The Handling Bureau shall within three months after the close of a calendar year, send to the Issuing Bureau a statement of unsettled claim due by the latter showing the amounts for which the Issuing Bureau may be liable.


ARTICLE 15

Nothing in this Agreement shall effect of be affected by any arrangement or contract which may be made by a member Handling Bureau for the settlement of any other claim not required to be compulsorily insured under the Brown Card Scheme.

ARTICLE 16


Where the period on the Brown Card expires, the Handling Bureau, if requested, shall assist the vehicle owner or driver to obtain necessary compulsory insurance of the country or any additional cover that may be required.

ARTICLE 17



Unless proves otherwise, any Brown Card carried by a motorist bearing name of any Bureau shall be deemed properly issued by one of the Bureau members.

ARTICLE 18



Any dispute between National Bureau arising from the implementation of the Protocol of this Agreement shall be referred to the Council of Bureau. The decision of the Council of Bureau is final.

ARTICLE 19

Where in the country of one of the Bureau insurance of liability in respect of third parties arising from the use of any category of motor vehicles is not compulsory for vehicles coming from another country, the following stipulations shall be applicable in that country for the said vehicles:

I. For the purpose of this clause (a) the Bureau of that country shall be called the “Investigating Bureau” and (b) the following substitution shall be deemed to have been made “Policy of Insurance” in Article 2 (c) of the Protocol means an insurance policy delivered by a member to and insured.

II. If, after an accident has occurred in the country of the Investigating Bureau, an insured presents to the Bureau a Brown Card on which the name of that country is written, the Investigating Bureau shall investigate, at the request of the Insured, any claim instituted against the insured.

In this connection, the Bureau will immediately contact (either directly or through the Bureau of which the Investigating Bureau is a member) the member who issued the Brown Card to agree with the member on handling the claim on the member's behalf. The conditions of such settlement must be submitted for the member's approval and the fees which may be claimed shall be those defined in Article 5 of this Agreement.

III. The Investigating Bureau, if so requested by the member who issued the Brown Card, and according to the conditions agreed upon with this member, may deliver to the Insured presenting a Brown Card a letter of guarantee or any other document in use in that country establishing the existence of an insurance guaranteeing the vehicle.

ARTICLE 20

Any party to this Agreement may withdraw from the Scheme by giving twelve months notice to the Council of Bureau. Notwithstanding that such notice has been given the withdrawing party shall remain bound by this Agreement in respect of all cards issued by its members.

ARTICLE 21

This Agreement comes into effect on the same date as the Protocol.

IN WITNESS WHEREOF the parties hereto have hereunto signed and affixed their Common Seals the day and year first above written.

**Economic Community
of West African States
l'Ouest**

**Communauté Economique
des Etats de l'Afrique de**