Motor Sport Insurance – Worrying News…

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Motorsport crowd cover insurance in doubt but Citroen unveil their C3 WRC car for 2017.

Motor sport warning due to new insurance requirements…

By Robin Roberts (and Miles Better News Agency).

The future of Wales Rally GB, the Circuit of Wales and other motorsport events are unexpectedly under threat from a controversial ruling by a European Court.

In future, both might have to pay enormous comprehensive public protection insurance premiums and see any competitors' accidents reported to police as if they happened on public roads.

Classic car owners who have vehicles declared under the SORN scheme also face having to pay insurance for shows and even drivers of ride-on mowers, disabled scooters and power assisted pedal cycles will be included.

Off-road rallies, grass-track, trials and other forms of two or four wheeled motor sport will also be dragged into the insurance net.

The tough new insurance cover is proposed to cover a loophole in the Motor Insurance Directive applied throughout Europe and which has up to now been considered inapplicable on private land.

The European Court has found in favour of a man, Damijan Vnuk, injured in a farmyard and who claimed from a Slovenian insurance company which said they did not have to provide cover on private land.

Now the UK Government is scrambling to get exclusions introduced and has launched an on-line consultation document for the public view of what they should press for to mitigate the effects, but it seems a change in UK law will have to be made.

Whether this happens before the UK leaves the EU or if it will still be required as part of a Brexit deal is unclear.

The insurance industry has made it clear to government that third party risks for motorsport activities are uninsurable, not least because of the sheer number of potential vehicle damage claims that would arise.

Therefore, if implemented, the Vnuk judgment as it's called, would wipe out all legal motor and motorcycle sport activity.

The best the UK can hope for is exclusions for motor sport or member-only centres such as golf-clubs. Even then a hefty hike in premiums is likely to contest possible future claims.

The UK and other EU member states have been pressing the European Commission not to implement the judgment in full but to water it down.

One proposal is for EU states to set up a guarantee scheme for specific sectors to reduce the necessity for compulsory insurance or to “top up” cover over normal on-road risks if applicable. Another suggestion is for a governor limited low speed device to be fitted.

The only way motor sport could be saved from this tough new legislation is if the land is purely private and closed to the public, such as a circuit without public rights of way, but lane rallying which has been popular in Wales for decades would have to pay the new higher public liability cover.

Forest stages would have to be carefully picked to ensure there was no public access without payment of a higher premium.

We may see motor-sport without spectators but just covered on television or radio.

Existing third party cover will have to rise to meet the new costs, says the UK Government and provide more funds for a payment pot.

Even if some types of vehicle were excluded from compulsory cover there would not be free insurance as the Motor Insurance Bureau would have to pay out and then recover their costs from the ‘uninsured’ driver.

The legislation suggests there may be a need for medical or competency testing of drivers, proficiency assessments and changes in enforcement to reflect risks under the Vnuk judgement.

In motor-sport it is possible that individual track and stage crashes would also have to be

reported to police.

Motor sport brings in £10 Billion for the UK economy, employs 60,000 people and generates income for 9,000 businesses.

Government has described the ruling as “a game-changer” and recognises the threat it poses to British motor sport and the industry.