

Better safe than sorry

by: **Maria João Marques**, Senior Associate Lawyer

There is a proverb that goes, "it's better to be safe than sorry".

If you plan to purchase a car, a motorbike or any other motorised vehicle, remember that you also have to purchase civil liability insurance from an insurance company.

The traffic legislation in the Special Administrative Region of Macau is rather strict regarding the compulsoriness of contracting vehicle insurance. The Traffic Ordinance (Law n° 3/2007) and Law-Decree n° 57/94/M stipulate that motor vehicles and their trailers can only circulate if they have civil liability insurance contracted with an authorised insurance company covering damages that they may cause to others. This insurance guarantees the civil liability of the vehicle's owner, usufructuary, lessee, renter or user, as well as its lawful holder or driver. It also covers the duty to repair the damages suffered by third parties in traffic accidents. Likewise, owners of garages and those who operate businesses of sale and purchase, repair, towage, or maintenance of vehicles must ensure the civil liability they incur when using the vehicles within the scope of their activity.

Therefore, having contracted insurance, if you have the misfortune of causing an accident and causing damages to a third party while driving your car, your civil liability is transferred to an insurance company that will cover the repair of those damages. Either way, anyone who suffers an accident caused by uninsured drivers shouldn't worry because, in these situations, there's the Vehicle Guarantee Fund – an organism created to compensate for death and injuries resulting from traffic accidents caused by vehicles subjected to compulsory insurance. The victims can judicially approach the Fund, making the principal and co-liable persons intervene in the proceedings.

However, once the Vehicle Guarantee Fund settles the compensation, the right of return can always be exercised. The Fund can demand the liable party of the reimbursement of all the expenses paid as compensation.

Lastly, anyone circulating with a vehicle subject to compulsory insurance but lacking it is punished with a MOP\$3,000 fine. Failing to present validating insurance policy to the authorities within eight days from the date of such request determines seizure of the vehicle until the respective insurance proof is given, besides applying a MOP\$300 fine.

In case of an accident, if you do not present the insurance policy to the authorities, your vehicle will be immediately seized. It will only be released when due compensation is

settled, provided a bond with the minimal value of the mandatory insurance, or proved its existence at the time of the accident.

Therefore, if you drive, drive insured and safely.



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