1989 No. 84

ROAD TRAFFIC AND VEHICLES

Motor Vehicles (Compulsory Insurance) Regulations (Northern Ireland) 1989

Made . . . . . *14th March 1989*

Coming into operation . . *24th April 1989*

The Department of the Environment, being a department designated(**a**) for the purposes of section 2(2) of the European Communities Act 1972(**b**) in relation to compulsory insurance in respect of, and other means of providing for, civil liability in relation to motor vehicles and trailers, in exercise of the powers conferred by that section and of all other powers enabling it in that behalf, makes the following Regulations:

Citation and commencement

1. These Regulations may be cited as the Motor Vehicles (Compulsory Insurance) Regulations (Northern Ireland) 1989 and shall come into operation on 24th April 1989.

Interpretation

2.—(1) The Interpretation Act (Northern Ireland) 1954(**c**) shall apply to these Regulations as it applies to a Measure of the Northern Ireland Assembly.

(2) In these Regulations, "the Order of 1981" means the Road Traffic (Northern Ireland) Order 1981(**d**).

Cover to be provided by the policy

3.—(1) Article 92 of the Order of 1981 (requirements in respect of policies of insurance) shall be amended in accordance with paragraphs (2) to (4).

(2) In sub-paragraph (1)(*b*) of that Article (policy to cover liability in respect of death or bodily injury), after the words "death of or bodily injury to any person" insert the words "or damage to property".

(3) For paragraph (2) of that Article (liabilities not required to be covered by the policy) substitute the following paragraph—

"(2) The policy shall not be required—

(*a*) to cover liability in respect of the death, arising out of and in the course of his employment, of a person in the employment of the insured or in respect of bodily injury or damage to property

(**a**) S.I. 1972/1811
(**b**) 1972 c. 68
(**c**) 1954 c. 33 (N.I.)
(**d**) S.I. 1981/154 (N.I. 1)

sustained by such a person arising out of and in the course of his employment;

(*b*) to provide insurance for more than £250,000 in respect of all such liabilities as may be incurred in respect of damage to property caused by, or arising out of, any one accident involving the vehicle;

(*c*) to cover liability in respect of damage to the vehicle;

(*d*) to cover liability in respect of damage to goods carried for hire or reward in or on the vehicle or in or on any trailer (whether or not coupled) drawn by the vehicle;

(*e*) to cover any liability of a person in respect of damage to property in his custody or under his control; or

(*f*) to cover any contractual liability.''.

(4) In paragraph (5) of that Article (definition of ''policy of insurance''), after the word ''note'' insert the words ''and the expression ''accident'' includes two or more causally related accidents''.

(5) In consequence of paragraph (3), Article 103(2) of the Order of 1981 (which empowers the Department to make regulations for the purposes of Article 92(2)(*b*) of that Order) shall cease to have effect.

Duty of insurers, etc., to satisfy judgments

4. For Article 98 of the Order of 1981 (rights of third-parties against insurers) substitute the following Articles—

''*Duty of insurers or persons giving security to satisfy judgment against persons insured or secured against third-party risks*

98.—(1) This Article applies where, after—

(*a*) a certificate of insurance has been delivered under Article 92(4) to the person by whom a policy has been effected, or

(*b*) a certificate of security has been issued under Article 93(2) to the person to whom a security has been given,

a judgment to which this paragraph applies is obtained.

(2) Paragraph (1) applies to judgments relating to a liability with respect to any matter where liability with respect to that matter is required to be covered by a policy of insurance under Article 92 and either—

(*a*) it is a liability covered by the terms of the policy or security to which the certificate relates, and the judgment is obtained against any person who is insured by the policy or whose liability is covered by the security, as the case may be; or

(*b*) it is a liability, other than an excluded liability, which would be so covered if the policy insured all persons or, as the case may be, the security covered the liability of all persons, and the judgment is obtained against any person other than one who is insured by the policy or, as the case may be, whose liability is covered by the security.

(3) In deciding for the purposes of paragraph (2) whether a liability is or would be covered by the terms of a policy or security, so much of the

policy or security as purports to restrict, as the case may be, the insurance of the persons insured by the policy or the operation of the security by reference to the holding by the driver of the vehicle of a licence authorising him to drive it shall be treated as of no effect.

(4) In sub-paragraph (2)(*b*), "excluded liability" means a liability in respect of the death of, bodily injury to, or damage to the property of any person who, at the time of the use which gave rise to the liability, was allowing himself to be carried in or upon the vehicle and knew or had reason to believe that the vehicle had been stolen or unlawfully taken, not being a person who—

(*a*) did not know and had no reason to believe that the vehicle had been stolen or unlawfully taken until after the commencement of his journey; and

(*b*) could not reasonably have been expected to have alighted from the vehicle.

In this paragraph the reference to a person being carried in or upon a vehicle includes a reference to a person entering or getting on to, or alighting from, the vehicle.

(5) Notwithstanding that the insurer may be entitled to avoid or cancel, or may have avoided or cancelled, the policy or security, he shall, subject to the provisions of this Article, pay to the persons entitled to the benefit of the judgment—

(*a*) as regards liability in respect of death or bodily injury, any sum payable under the judgment in respect of the liability, together with any sum which is payable in respect of interest on that sum;

(*b*) as regards liability in respect of damage to property, any sum required to be paid under paragraph (6); and

(*c*) any amount payable in respect of costs.

(6) This paragraph requires—

(*a*) where the total of any amounts paid, payable or likely to be payable under the policy or security in respect of damage to property caused by, or arising out of, the accident in question does not exceed £250,000, the payment of any sum payable under the judgment in respect of the liability, together with any sum which is payable in respect of interest on that sum;

(*b*) where that total exceeds £250,000, the payment of either—

(i) such proportion of any sum payable under the judgment in respect of the liability as £250,000 bears to that total, together with the same proportion of any sum which is payable in respect of interest on that sum; or

(ii) the difference between the total of any amounts already paid under the policy or security in respect of such damage and £250,000 together with such proportion of any sum which is payable in respect of interest on any sum payable under the judgment in respect of the liability as the difference bears to that sum,