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MOTOR VEHICLES (THIRD PARTY INSURANCE)

CHAPTER 333 OF THE LAWS

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CHAPTER 333.

MOTOR VEHICLES (THIRD PARTY INSURANCE).

ARRANGEMENT OF SECTIONS.

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62 *of* 54.
17 *of* 57.

A LAW TO MAKE PROVISION AGAINST THIRD PARTY RISKS ARISING OUT OF THE USE OF MOTOR VEHICLES.

[15*th December,* 1954.]

Short title.

1. This Law may be cited as the Motor Vehicles (Third Party Insurance) Law.

Interpretation.

2. (1) In this Law, unless the context otherwise requires—

" bankruptcy " with its grammatical variations and cognate expressions includes insolvency under the law of the United Kingdom or of any British possession;

" driving licence " means a licence to drive a motor vehicle granted under the provisions of the Motor Vehicles and Road Traffic Law; Cap. 332.

" insurer " means an insurance company or an underwriter approved by an Order of the Governor in Council;

" policy " means a policy of insurance and includes a covering note.

(2) If any word or expression used in this Law is defined in the Motor Vehicles and Road Traffic Law, such word or expression, unless the context otherwise requires, shall bear in this Law the meaning assigned to it in the Motor Vehicles and Road Traffic Law. Cap. 332.

Users of motor vehicles to be insured against third party risks.

3. (1) Subject to the provisions of this Law, no person shall use, or cause or permit any other person to use, a motor vehicle on a road unless there is in force in relation to the user of that motor vehicle by such person or such other person, as the case may be, such a policy in respect of third party risks as complies with the provisions of this Law.

(2) Any person acting in contravention of this section shall be liable to imprisonment not exceeding one year or to a fine not exceeding one hundred pounds or to both such imprisonment and fine and a person convicted of an offence under this section shall be disqualified for holding or obtaining a driving licence.

(3) A disqualification under the provisions of subsection (2), unless the Court for special reasons to be recorded otherwise orders, shall be for a minimum period of twelve months from the date of the conviction, and any person so disqualified for holding or obtaining a driving licence under the provisions of this section shall be deemed to be so disqualified under the provisions of the Motor Vehicles and Road Traffic Law. Cap. 332.

(4) The provisions of this section shall not apply—

(*a*) to the user of a motor vehicle owned by the Government or by Her Majesty's Government in the United Kingdom while such motor vehicle is being used for the purposes of the Government owning such motor vehicle; or

(*b*) to the user of a motor vehicle at any time when it is driven for police purposes by or under the direction of a police officer of or above the rank of Inspector as defined in the Police Law; or Cap. 285.

(*c*) to any person or class of persons declared by the Governor in Council to be exempted from the provisions of this Law, subject to such conditions, if any, as the Governor in Council may deem fit to impose; or 2 *of* 17/57.

(*d*) to any motor vehicle or type of motor vehicle declared by the Governor in Council to be exempted from the provisions of this Law, 2 *of* 17/57.

subject to such conditions, if any, as the Governor in Council may deem fit to impose.

Requirements in respect of policies.

4. (1) A policy for the purposes of this Law must be a policy which—

(*a*) is issued by an insurer; and

(*b*) insures such person or persons, or classes of persons as may be specified in the policy in respect of any liability which may be incurred by him or them in respect of the death of or bodily injury to any person caused by or arising out of the use of a motor vehicle on a road covered by the policy:

Provided that such policy shall not be required to cover—

(i) liability in respect of the death arising out of and in the course of his employment of a person in the employment of a person insured by the policy or of bodily injury sustained by such a person arising out of and in the course of his employment; or

(ii) except in the case of a vehicle in which passengers are carried for hire or reward or by reason of or in pursuance of a contract of employment, liability in respect of the death of or bodily injury to persons being carried in or upon or entering or getting on to or alighting from the motor vehicle at the time of the occurrence of the event out of which the claims arise; or

(iii) any contractual liability.

(2) Where any payment is made, whether or not with an admission of liability, by an insurer under or in consequence of a policy issued under the provisions of this Law in respect of the death of or bodily injury to any person arising out of the use of a motor vehicle on a road and the person who has so died or received bodily injury has to the knowledge of the insurer received treatment at a hospital, whether as an in-patient or an out-patient, in respect of the injury so arising, there shall be also paid by the insurer to such hospital the expenses reasonably incurred by such hospital in giving such treatment after deducting any moneys actually received by such hospital in payment of a specific charge for such treatment:

Provided that the amount to be paid by the insurer shall not exceed fifty pounds for each person so treated as an in-patient and five pounds for each person so treated as an out-patient.

For the purposes of this subsection " hospital " means any Government hospital or private hospital registered under the provisions of the Private Hospitals (Control) Laws. Cap. 255.

(3) Notwithstanding anything in any Law contained a person issuing a policy under this section shall be liable to indemnify the persons or classes of persons specified in the policy in respect of any liability which the policy purports to cover in the case of those persons or classes of persons.

(4) A policy shall be of no effect for the purposes of this Law unless and until there is issued by the insurer in favour of the person by whom the policy is effected a certificate (in this Law referred to as a " certificate of insurance ") in the prescribed form and containing such particulars of any conditions subject to which the policy is issued and of such other matters as may be prescribed.

Certain conditions to policies to be of no effect.

5. Any condition in a policy issued or given for the purposes of this Law providing that no liability shall arise under the policy or that any liability so arising shall cease in the event of some specified thing being done or omitted to be done after the happening of the event giving rise to a claim under the policy shall be of no effect in connection with such claims as are set out in paragraph (*b*) of subsection (1) of section 4:

Provided that nothing in this section shall be so construed as to render void any provision in a policy requiring the person insured to repay to the insurer any sums which the insurer may have become liable to pay under the policy and which have been applied to the satisfaction of the claims of third parties.

Avoidance of restrictions on the scope of policies covering third party risks.

6. Where a certificate of insurance has been issued under the provisions of subsection (4) of section 4 in favour of the person by whom a policy has been effected, so much of the policy as purports to restrict the insurance of the person insured thereby in respect of any of the following matters:—

(*a*) the age or physical or mental condition of persons driving the motor vehicle; or

(*b*) the condition of the motor vehicle; or