

EXPLANATORY MEMORANDUM TO
The Motor Vehicles (Compulsory Insurance) Regulations (Northern Ireland)
2017

S.R. No. 25

1. Introduction

- 1.1. This Explanatory Memorandum has been prepared by the Department for Infrastructure to accompany the Statutory Rule (details above) which is laid before the Northern Ireland Assembly.
- 1.2. The Statutory Rule is made under section 2(2) of the European Communities Act 1972 and is subject to the negative resolution procedure.

2. Purpose

- 2.1. The purpose of the Regulations is to amend the Road Traffic (Northern Ireland) Order 1981 to increase the minimum amount of compulsory motor insurance for property damage, specified in Articles 92(2) and 98(6) of that Order, from £1,000,000 to £1,200,000.

3. Background

- 3.1. Article 9(1) of Directive 2009/103/EC sets out the minimum amounts which each Member State should ensure are covered by compulsory third party liabilities insurance for motor vehicles in respect of personal injury and property damage. These amounts are specified in Euros and are reviewed every 5 years and adjusted in line with the European Index of Consumer Prices. The aim in doing so is to ensure that compensation paid to third party victims of motor accidents keeps pace with inflation.
- 3.2. The communication from the Commission to the European Parliament and the Council of 10 May 2016 (COM (2016) 246 final), notifies the outcome of the most recent review which increases the minimum amount of compulsory insurance in respect of property damage to 1.22 million Euros per claim. In order to ensure compliance with this requirement the UK minimum amount has been set at £1,200,000 to avoid being inadvertently in breach of EU law through exchange rate fluctuation.

4. Consultation

- 4.1. The Department for Transport issued a UK- wide consultation on 31 August 2016 to key insurance industry stakeholders. There was no opposition to the proposal and no suggestion that there would be any significant increase in insurance premiums as a result of the increase.

5. Equality Impact

- 5.1. The Department has carried out an Equality Screening Analysis and, as no equality implications have been identified for any section 75 groups, has concluded that a full Equality Impact Assessment is not required.

6. Regulatory Impact

- 6.1. The Department does not consider that there is a need for a Regulatory Impact Assessment.

7. Financial Implications

- 7.1. None

8. Section 24 of the Northern Ireland Act 1998

- 8.1. The Department has carried out a Human Rights Act Screening Analysis and no human rights issues have been identified.

9. EU Implications

- 9.1. There is no change in policy, the Regulations are simply increasing the minimum liability figure. Therefore, a Transposition Note has not been prepared.

10. Parity or Replicatory Measure

- 10.1. The equivalent legislation in Great Britain is the Motor Vehicles (Compulsory Insurance) Regulations 2016 (S.I. 2016/ 1193).

11. Additional Information

- 11.1. Not applicable