Road Traffic Act 1988

1988 CHAPTER 52

PART VI

THIRD-PARTY LIABILITIES

Compulsory insurance or security against third-party risks

145 Requirements in respect of policies of insurance

(1) In order to comply with the requirements of this Part of this Act, a policy of insurance must satisfy the following conditions.

(2) The policy must be issued by an authorised insurer.

(3) Subject to subsection (4) below, the policy—

(a) must insure such person, 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 or damage to property caused by, or arising out of, the use of the vehicle on a road in Great Britain, and

(b) must insure him or them in respect of any liability which may be incurred by him or them in respect of the use of the vehicle and of any trailer, whether or not coupled, in the territory other than Great Britain and Gibraltar of each of the member States of the Communities according to the law on compulsory insurance against civil liability in respect of the use of vehicles of the State where the liability may be incurred, and

(c) must also insure him or them in respect of any liability which may be incurred by him or them under the provisions of this Part of this Act relating to payment for emergency treatment.

(4) The policy shall not, by virtue of subsection (3)(a) above, 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 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

(b) to provide insurance of 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, or

(c) to cover liability in respect of damage to the vehicle, or

(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, or

(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.

(5) In this Part of this Act "authorised insurer" means a person or body of persons carrying on insurance business within Group 2 in Part II of Schedule 2 to the Insurance Companies Act 1982 and being a member of the Motor Insurers' Bureau (a company limited by guarantee and incorporated under the Companies Act 1929 on 14th June 1946).

(6) If any person or body of persons ceases to be a member of the Motor Insurers' Bureau, that person or body shall not by virtue of that cease to be treated as an authorised insurer for the purposes of this Part of this Act—

(a) in relation to any policy issued by the insurer before ceasing to be such a member, or

(b) in relation to any obligation (whether arising before or after the insurer ceased to be such a member) which the insurer may be called upon to meet under or in consequence of any such policy or under section 157 of this Act by virtue of making a payment in pursuance of such an obligation.