

*These notes refer to the Insurance Act 2015 (c.4)  
which received Royal Assent on 12 February 2015*

# **INSURANCE ACT 2015**

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## **EXPLANATORY NOTES**

### **BACKGROUND**

#### ***Amendments to the Third Parties (Rights against Insurers) Act 2010***

11. The Act also amends the Third Parties (Rights against Insurers) Act 2010 (“the 2010 Act”), which has not yet been brought into force. These amendments clear the way for the 2010 Act to come into force.
12. The 2010 Act was intended to simplify and modernise the existing procedure by which victims can obtain compensation for wrongs done to them by insured persons who, in broad terms, have become insolvent or otherwise ceased to exist. It implements, with minor modifications, the recommendations of the Commissions in their 2001 Report, *Third Parties – Rights against Insurers* (Law Com No 272; Scot Law Com No 184). The 2010 Act was intended to replace the Third Parties (Rights against Insurers) Act 1930 and Third Parties (Rights against Insurers) Act 1930 (Northern Ireland) (“the 1930 Acts”).
13. The 2010 Act was not commenced because as originally enacted it failed to cover the full range of insolvent or defunct wrongdoers. Part 6 of the new Act rectifies the problem in two main ways. First, it adds two specific circumstances in which the 2010 Act will apply. Secondly, it substitutes, for the existing power to amend the circumstances in which the 2010 Act may apply in Northern Ireland, a broader power that is applicable to the whole of the United Kingdom.