

2016 No. 1193

ROAD TRAFFIC

The Motor Vehicles (Compulsory Insurance) Regulations 2016

<i>Made</i> - - - -	<i>6th December 2016</i>
<i>Laid before Parliament</i>	<i>9th December 2016</i>
<i>Coming into force</i> - -	<i>31st December 2016</i>

The Secretary of State makes the following Regulations in exercise of the powers conferred by section 2(2) of the European Communities Act 1972(a).

The Secretary of State is a Minister designated for the purposes of section 2(2) of the European Communities Act 1972 in relation to compulsory insurance in respect of, and other means of providing for, civil liability in relation to motor vehicles and trailers(b).

Citation and commencement

1. These Regulations may be cited as the Motor Vehicles (Compulsory Insurance) Regulations 2016 and come into force on 31st December 2016.

Amendment of the Road Traffic Act 1988

2.—(1) The Road Traffic Act 1988(c) is amended as follows.

(2) In section 145(4)(b)(d) (requirements in respect of policies of insurance) for “£1,000,000” substitute “£1,200,000”.

(3) In section 151(6)(e) (duty of insurers or persons giving security to satisfy judgment against persons insured or secured against third-party risks) for “£1,000,000”, in each place where it occurs, substitute “£1,200,000”.

(a) 1972 c.68; section 2(2) was amended by the Legislative and Regulatory Reform Act 2006 (c.51), section 27(1) and by Part 1 of the Schedule to the European Union (Amendment) Act 2008 (c.7).

(b) S.I. 1972/1811.

(c) 1988 c.52.

(d) Section 145(4)(b) was amended by S.I. 2007/1426.

(e) Section 151(6) was amended by S.I. 2007/1426.

Revocation

3. The Motor Vehicles (Compulsory Insurance) Regulations 2007^(a) are revoked.

Signed by authority of the Secretary of State

6th December 2016

Andrew Jones
Parliamentary Under Secretary of State
Department for Transport

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations, relating to insurance against civil liability in respect of the use of motor vehicles, update the minimum level of compulsory motor insurance for property damage required under Article 9 of EU Directive 2009/103/EC (“the Directive”)^(b). Article 9(2) provides for the minimum level to be reviewed in line with the European Index of Consumer Prices every five years and adjusted accordingly.

The European Commission has so reviewed the minimum level and has issued a communication for the European Parliament and the Council^(c) indicating that for physical damage to property the minimum level of compulsory insurance is revised to 1.22 million Euros per claim. In order to ensure compliance with this requirement, in light of possible currency fluctuations, these Regulations substitute for the figure of £1 million currently specified in the Road Traffic Act 1988^(d), the sum of £1.2 million.

The Motor Vehicles (Compulsory Insurance) Regulations 2007 (S.I. 2007/1426) which specified the previous minimum level are revoked.

An Impact Assessment has not been produced for this instrument as no, or no significant, impact on the private, voluntary or public sectors is foreseen. An Explanatory memorandum is published alongside the instrument on the www.legislation.gov.uk website.

A copy of the Directive can be obtained from eur-lex.europa.eu.

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(a) S.I. 2007/1426.
(b) OJ No L263, 7.10.09, p11.
(c) COM (2016) 246 final.
(d) 1988 c.52.

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