



Third Parties (Rights against Insurers) Act 2010

2010 CHAPTER 10

Transferred rights: supplemental

8 Limit on rights transferred

Where the liability of an insured to a third party is less than the liability of the insurer to the insured (ignoring the effect of section 1), no rights are transferred under that section in respect of the difference.

Commencement Information

II S. 8 in force at 1.8.2016 by [S.I. 2016/550](#), art. 2

9 Conditions affecting transferred rights

- (1) This section applies where transferred rights are subject to a condition (whether under the contract of insurance from which the transferred rights are derived or otherwise) that the insured has to fulfil.
- (2) Anything done by the third party which, if done by the insured, would have amounted to or contributed to fulfilment of the condition is to be treated as if done by the insured.
- (3) The transferred rights are not subject to a condition requiring the insured to provide information or assistance to the insurer if that condition cannot be fulfilled because the insured is—
 - (a) an individual who has died,^{F1} ...
 - (b) a body corporate that has been dissolved^{F2}, or
 - (c) an unincorporated body, other than a partnership, that has been dissolved.]

Changes to legislation: There are currently no known outstanding effects for the Third Parties (Rights against Insurers) Act 2010, Cross Heading: Transferred rights: supplemental. (See end of Document for details)

- (4) A condition requiring the insured to provide information or assistance to the insurer does not include a condition requiring the insured to notify the insurer of the existence of a claim under the contract of insurance.
- (5) The transferred rights are not subject to a condition requiring the prior discharge by the insured of the insured's liability to the third party.
- (6) In the case of a contract of marine insurance, subsection (5) applies only to the extent that the liability of the insured is a liability in respect of death or personal injury.
- (7) In this section—
 “contract of marine insurance” has the meaning given by section 1 of the Marine Insurance Act 1906;
 ^{F3}
 ...
 “personal injury” includes any disease and any impairment of a person's physical or mental condition.
- [^{F4}(8) For the purposes of this section—
 (a) “dissolved” means dissolved under the law of England and Wales, Scotland or Northern Ireland (whether or not by a process referred to as dissolution), and
 (b) a body has been dissolved even if, since it was dissolved, something has happened which has the effect that (but for this paragraph) the body is treated as not having been dissolved or as no longer being dissolved.]

Textual Amendments

- F1** Word in s. 9(3)(a) omitted (1.8.2016 immediately after 2010 c. 10 and 2015 c. 4, s. 20, Sch. 2 come into force by virtue of S.I. 2016/550) by virtue of [The Third Parties \(Rights against Insurers\) Regulations 2016 \(S.I. 2016/570\)](#), regs. 1(1), **5(2)(a)**
- F2** S. 9(3)(c) and word inserted (1.8.2016 immediately after 2010 c. 10 and 2015 c. 4, s. 20, Sch. 2 come into force by virtue of S.I. 2016/550) by [The Third Parties \(Rights against Insurers\) Regulations 2016 \(S.I. 2016/570\)](#), regs. 1(1), **5(2)(b)**
- F3** Words in s. 9(7) omitted (1.8.2016 immediately after 2010 c. 10 and 2015 c. 4, s. 20, Sch. 2 come into force by virtue of S.I. 2016/550) by virtue of [The Third Parties \(Rights against Insurers\) Regulations 2016 \(S.I. 2016/570\)](#), regs. 1(1), **5(3)**
- F4** S. 9(8) inserted (1.8.2016 immediately after 2010 c. 10 and 2015 c. 4, s. 20, Sch. 2 come into force by virtue of S.I. 2016/550) by [The Third Parties \(Rights against Insurers\) Regulations 2016 \(S.I. 2016/570\)](#), regs. 1(1), **5(4)**

Commencement Information

- I2** S. 9 in force at 1.8.2016 by [S.I. 2016/550](#), **art. 2**

10 Insurer's right of set off

- (1) This section applies if—
 (a) rights of an insured under a contract of insurance have been transferred to a third party under section 1,
 (b) the insured is under a liability to the insurer under the contract (“the insured's liability”), and

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- (c) if there had been no transfer, the insurer would have been entitled to set off the amount of the insured's liability against the amount of the insurer's own liability to the insured.
- (2) The insurer is entitled to set off the amount of the insured's liability against the amount of the insurer's own liability to the third party in relation to the transferred rights.

Commencement Information

I3 [S. 10](#) in force at 1.8.2016 by [S.I. 2016/550](#), [art. 2](#)

Changes to legislation:

There are currently no known outstanding effects for the Third Parties (Rights against Insurers) Act 2010, Cross Heading: Transferred rights: supplemental.