



Automated and Electric Vehicles Act 2018

2018 CHAPTER 18

PART 1

AUTOMATED VEHICLES: LIABILITY OF INSURERS ETC

- 4 Accident resulting from unauthorised software alterations or failure to update software**
- (1) An insurance policy in respect of an automated vehicle may exclude or limit the insurer's liability under section 2(1) for damage suffered by an insured person arising from an accident occurring as a direct result of—
- (a) software alterations made by the insured person, or with the insured person's knowledge, that are prohibited under the policy, or
 - (b) a failure to install safety-critical software updates that the insured person knows, or ought reasonably to know, are safety-critical.
- (2) But as regards liability for damage suffered by an insured person who is not the holder of the policy, subsection (1)(a) applies only in relation to software alterations which, at the time of the accident, the person knows are prohibited under the policy.
- (3) Subsection (4) applies where an amount is paid by an insurer under section 2(1) in respect of damage suffered, as a result of an accident, by someone who is not insured under the policy in question.
- (4) If the accident occurred as a direct result of—
- (a) software alterations made by an insured person, or with an insured person's knowledge, that were prohibited under the policy, or
 - (b) a failure to install safety-critical software updates that an insured person knew, or ought reasonably to have known, were safety-critical,
- the amount paid by the insurer is recoverable from that person to the extent provided for by the policy.

Changes to legislation: Automated and Electric Vehicles Act 2018, Section 4 is up to date with all changes known to be in force on or before 25 June 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) [View outstanding changes](#)

- (5) But as regards recovery from an insured person who is not the holder of the policy, subsection (4)(a) applies only in relation to software alterations which, at the time of the accident, the person knew were prohibited under the policy.
- (6) For the purposes of this section—
- (a) “software alterations” and “software updates”, in relation to an automated vehicle, mean (respectively) alterations and updates to the vehicle's software;
 - (b) software updates are “safety-critical” if it would be unsafe to use the vehicle in question without the updates being installed.

Commencement Information

II S. 4 in force at 21.4.2021 by S.I. 2021/396, reg. 3(a)

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Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 12(7)(b)(ia) inserted by [2023 c. 55 Sch. 4 para. 218\(2\)\(b\)](#)