

**EXPLANATORY MEMORANDUM TO  
THE MOTOR VEHICLES (THIRD PARTY RISKS) (AMENDMENT)  
REGULATIONS 2010**

**2010 No. 1115**

1. This explanatory memorandum has been prepared by the Department for Transport and is laid before Parliament by Command of Her Majesty.
  
2. **Purpose of the instrument**
  - 2.1 This instrument revokes regulation 11 of the Motor Vehicles (Third Party Risks) Regulations 1972. This will in future remove the need for an insurer to notify the Secretary of State of a motor insurance policy where it has been cancelled without the insured's consent.
  
3. **Matters of special interest to the Joint Committee on Statutory Instruments**
  - 3.1 None.
  
4. **Legislative Context**
  - 4.1 Regulation 11 of the Motor Vehicles (Third Party Risks) Regulations 1972 requires an insurer to inform the Secretary of States if it cancels a certificate without the consent of person to whom it was issued and the policy has ceased to be effective.
  
5. **Territorial Extent and Application**
  - 5.1 This instrument applies to Great Britain.
  
6. **European Convention on Human Rights**
  - 6.1 As the instrument is subject to negative resolution procedure and does not amend primary legislation, no statement is required.
  
7. **Policy background**
  - *What is being done and why*
  - 7.1 Regulation 11 required insurers to notify the Secretary of State when a policy of insurance was cancelled without the customer's consent and the motor insurance certificate had not been returned to the insurer. At one time these notifications were sent to Driver and Vehicle Licensing Agency (DVLA) local offices as a tool to check if a cancelled certificate was presented when re-

licensing a vehicle. However, the practice has become obsolete as DVLA now check insurance validity electronically with the Motor Insurance Database.

7.2 The level of public interest in this matter is low. The change is neither politically nor legally important.

- ***Consolidation***

7.3 The Regulations are, in parallel to this instrument, also being amended by an order under the Electronic Communications Act 2000 (the Motor Vehicles (Electronic Communication of Certificates of Insurance) Order 2010). There is no power in the 2000 Act to make the changes that a consolidation would require and the Department needed to make the change made by this instrument separately using powers in the Road Traffic Act 1988. A consolidation was not therefore appropriate at this time but will be considered if further changes to the 1972 regulations are proposed.

## **8. Consultation outcome**

8.1 A 12 week public consultation was conducted in June 2007 on the proposals now being effected by the order referred to in paragraph 7.3 and the amendment made by this instrument. There was a very low response rate – only 22 responses were received, mostly from the insurance industry. The majority of respondents who commented supported the removal of regulation 11.

8.2 A copy of the consultation document can be accessed at <http://webarchive.nationalarchives.gov.uk/+http://www.dft.gov.uk/consultations/archive/2007/electcertmotorins/>

8.3 The Department wrote to the industry, the police and DVLA and the AA as representatives for motoring groups in December 2009 for comments on the draft regulations and reminded them of the earlier consultation. No further comments were received.

## **9. Guidance**

9.1 Given the nature of this change, the Department will not be providing guidance.

## **10. Impact**

10.1 There is no impact on charities or voluntary bodies. The impact on business is that relevant insurance businesses will be relieved of this requirement.

10.2 There is no impact on the public sector.

10.3 An Impact Assessment has not been prepared for this instrument.

**11. Regulating small business**

11.1 The legislation does not apply to small business.

**12. Monitoring & review**

12.1 In view of the nature of this change the Department has no plans for monitoring or review.

**13. Contact**

Pauline Morgan at the Department for Transport Tel: 020 7944 2461 or e-mail: [Pauline.morgan@dft.gsi.gov.uk](mailto:Pauline.morgan@dft.gsi.gov.uk) can answer any queries regarding the instrument.