
EXPLANATORY NOTE

(This note is not part of the Regulations)

Regulations 2 to 8 are made in exercise of the powers in section 2(2) of the European Communities Act 1972 (c. 68) in order to address failures of national law to operate in accordance with EU law. Regulation 9 is made in exercise of the powers in section 144B(7)(a) of the Road Traffic Act 1988 (c. 52).

These Regulations make amendments to legislation in the field of compulsory motor insurance. Regulations 2, 3 and 4 remove the ability to deposit a prescribed sum or take out a security with a security giver as alternatives to conventional motor insurance. The relevant amendments to remove these options are set out in Schedules 1 and 2 (in the case of amendments to primary legislation) and Schedule 3 (in the case of amendments to secondary legislation). Regulations 2, 3 and 4 will come into force on 1st November 2019. Regulation 5 provides for a transitional period of up to two years (until 1st November 2021) for existing securities and deposits. After this time (or earlier if the security or deposit holder so chooses) compulsory motor insurance will be required. Regulation 5(3) provides that the security or deposit will continue to apply to any liability that occurs before compulsory motor insurance was purchased and regulation 5(4) addresses the repayment of securities and deposits.

Regulation 6 amends section 152 of the Road Traffic Act 1988 (c. 52) to limit the rights of an insurer to rely on having voided an insurance policy after an accident has taken place. Regulation 7 makes an equivalent change for Northern Ireland and amends section 98A of the Road Traffic (Northern Ireland) Order 1981. Regulation 8 is a saving provision for any court declarations obtained prior to 1st November 2019.

Regulation 9 amends the Motor Insurance (Insurance Requirements) Regulations 2011 to substitute the correct cross reference to provisions of the Road Vehicles (Registration and Licensing) Regulations 2002 concerning the procedure for making a Statutory Off Road Notification.

An impact assessment has not been produced for this instrument as no, or no significant, impact on the private, voluntary or public sector is foreseen.

An Explanatory Memorandum has been prepared and is available alongside this instrument at www.legislation.gov.uk.