

## MOTOR VEHICLES (THIRD PARTY INSURANCE) ACT

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## MOTOR VEHICLES (THIRD PARTY INSURANCE) ACT

**An Act to make provision against third party risks arising out of the use of motor vehicles.**

[53 of 1945.]

[*I st April, 1950*]

[Commencement.]

#### 1. Short title

This Act may be cited as the Motor Vehicles (Third Party Insurance) Act.

#### 2. Interpretation

(1) In this Act unless the context otherwise requires-

"**bankruptcy**" with its grammatical variations and cognate expressions includes insolvency under the law of Nigeria or of any part of the Commonwealth and includes a wage earner's administration order;

"**company**" includes any company registered or required to be registered under the provisions of the Companies and Allied Matters Act, any company or body corporate formed in pursuance of any written law or Letters Patent, any corporation incorporated by law and any firm or partnership;

**"driving licence"** means a licence to drive a motor vehicle granted under the provisions of the Road Traffic Laws;

**"highway"** includes any roadway to which the public have access;

**"Minister"** means the Minister charged with responsibility for finance;

**"motor cycle"** means a motor vehicle designed to travel on not more than two wheels and includes a combination of motor cycle and side-car;

**"motor vehicle"** means a vehicle propelled by mechanical power other than a vehicle constructed to run on rails and includes a motor cycle;

**"owner"** in relation to a motor vehicle which is the subject of a hiring or hire purchase agreement means the person in possession of the motor vehicle under that agreement;

**"passenger vehicle"** means a motor vehicle used for carrying passengers for hire or reward;

**"policy of insurance"** includes a covering note;

**"use"** with its grammatical variations and cognate expressions means use on a highway.

(2) If any word or expression used in this Act is defined in the Road Traffic Laws, such word or expression, unless the context otherwise requires, shall bear in this Act the meaning assigned to it in the Road Traffic Laws.

### **3. Users of motor vehicles to be insured against third party risks**

(1) Subject to the provisions of this Act no person shall use, or cause or permit any other person to use a motor vehicle unless there is in force in relation to the user of that motor vehicle by such person or such other person as the case may be such a policy of insurance or such a security in respect of third party risks as complies with the provisions of this Act.

(2) Any person acting in contravention of this section shall be liable on conviction to a fine of four hundred naira or to imprisonment for one year or to both such fine and imprisonment and a person convicted of an offence under this section shall be disqualified for holding or obtaining a driving licence.

(3) A disqualification under the provision of subsection (2), unless the court for special reasons to be recorded otherwise orders, shall be for a minimum period of twelve months from the date of the conviction, and any person so disqualified for holding or obtaining a driving licence under the provisions of this section shall be deemed to be so disqualified under the provisions of the Road Traffic Laws.

### **4. Limitation of time for proceedings**

Notwithstanding the provisions of any written law which prescribes a time within which proceedings may be brought before a court, proceedings in respect of an offence under section 3 of this Act may be instituted-

- (a) within a period of six months from the date of the commission of the alleged offence; or
- (b) within a period which exceeds neither six months from the date on which it came to the knowledge of the prosecutor that the offence had been committed nor one year from the date of the commission of the offence,

whichever period is the longer.

## **5. Exemptions**

The provisions of section 3 of this Act shall not apply-

- (a) to the user of a motor vehicle owned by government while such motor vehicle is being used for the purposes of the Government owning such motor vehicle; or
- (b) to the user of a motor vehicle owned by a person who has deposited and keeps deposited with the Accountant-General of the Federation the sum of ten thousand naira in respect of such a motor vehicle at any time when such motor vehicle is being driven by the owner or by a servant of the owner in the course of his employment; or
- (c) to the user of a motor vehicle at any time when it is driven for police purposes by or under the direction of a superior police officer as defined in the Police Act; or
- (d) to any person or class of persons declared by the Minister to be exempted from the provisions of this Act; or
- (e) to any motor vehicle or type of motor vehicle declared by the Minister to be exempted from the provisions of this Act.

## **6. Requirements in respect of policies and certificate of insurance**

(1) A policy of insurance for the purposes of this Act must be a policy which-

- (a) is issued by an insurer approved by the Minister; and
- (b) insures such persons or classes of person as may be specified in the policy in respect of any liability which may be incurred by him or them in respect of the death of or bodily injury to any person caused by or arising out of the use of a motor vehicle covered by the policy:

Provided that such policy shall not be required to cover-

- (i) liability in respect of the death arising out of and in the course of his employment of a person in the employment of a person insured by the policy or of bodily injury sustained by such a person arising out of and in the course of his employment; or
- (ii) save in the case of a passenger vehicle or where persons are carried by reason of or in pursuance of a contract of employment liability in respect of the death of or bodily injury to persons being carried in or upon or entering or getting on to or alighting from a motor vehicle at the time of the occurrence of the event out of which the claims arise; or
- (iii) any contractual liability.

(2) Where any payment is made, whether or not with an admission of liability, by-

- (a) an approved insurer under or in consequence of a policy issued under the provisions of this Act; or
- (b) the owner of a motor vehicle in relation to the user of which a security under section 7 of this Act is in force; or
- (c) the owner of a motor vehicle who has made a deposit under section 5 of this Act,

in respect of the death or bodily injury to any person arising out of the use of a motor vehicle and the person who has so died or received bodily injury has to the knowledge of the approved insurer or such owner as the case may be received treatment at a hospital, whether as an in-patient or an out-patient, in respect of the injury so arising, there shall be also paid by the approved insurer or such owner to such hospital the expenses reasonably incurred by such hospital in giving such treatment after deducting any moneys actually received by such hospital in payment of a specific charge for such treatment:

Provided that the amount to be paid by the approved insurer or the owner shall not exceed one hundred naira for each person so treated as an in-patient and ten naira for each person so treated as an out-patient.

(3) Notwithstanding anything in any written law contained a person issuing a policy of insurance under this section shall be liable to indemnify the persons or classes of person specified in the policy in respect of any liability which the policy purports to cover in the case of those persons or classes of person.

(4) A policy shall be of no effect for the purposes of this Act unless and until there is issued by the approved insurer to the person by whom the policy is effected a certificate, in this Act referred to as a certificate of insurance, in the prescribed form and containing such particulars of any conditions subject to which the policy is issued and of such other matters as may be prescribed.

## **7. Requirements in respect of securities**

(1) For the purposes of this Act a security must-

- (a) be given either by an insurer approved by the Minister or by a person, company or body of persons approved by the Minister carrying on the business of giving securities of a like kind; and
- (b) consist of an undertaking by the giver of the security to make good, subject to any conditions contained therein, any failure by the owner of any passenger or other motor vehicle or such other persons or classes of person as may be specified in the security duly to discharge any such liability as is required to be covered by a policy of insurance issued under the provisions of this Act which may be incurred by him or them, and such security shall in the case of an undertaking relating to the use of a passenger vehicle be up to an amount of not less than fifty thousand naira and in any other case of not less than ten thousand naira.

(2) A security shall be of no effect for the purposes of this Act unless and until there is issued by the person giving the security to the person to whom it is given a certificate, in this Act referred to as a certificate of security, in the prescribed form and containing such particulars of any conditions subject to which the security is issued and of such other matters as may be prescribed.

## **8. Certain conditions to policies or securities to be of no effect**

Any condition in a policy or security issued or given for the purposes of this Act providing that no liability shall arise under the policy or security or that any liability so arising shall cease in the event of some specified thing being done or omitted to be done after the happening of the event giving rise to a claim under the policy or security shall be of no effect in connection with such claims as are set out in paragraph (b) of subsection (1) of section 6 of this Act:

Provided that nothing in this section shall be so construed as to render void any provision in a policy or security requiring the person insured or secured to repay to the insurer or the giver of the security any sums which the insurer or the giver of the security may have become liable to pay under the policy or the security and which have been applied to the satisfaction of the claims of third parties.

## **9. Avoidance of restrictions on the scope of policies covering third party risks**

Where a certificate of insurance has been delivered under the provisions of subsection (4) of section 6 of this Act to the person by whom a policy has been effected so much of the policy as purports to restrict the insurance of the person insured thereby in respect of any of the following matters-

- (a) the age or physical or mental condition of persons driving the motor vehicle; or
- (b) the condition of the motor vehicle; or
- (c) the number of persons that the motor vehicle carries; or

- (d) the weight or physical characteristics of the goods that the motor vehicle carries; or
- (e) the times at which or the areas within which the motor vehicle is used; or
- (f) the horsepower or value of the motor vehicle; or
- (g) the carrying on the motor vehicle of any particular apparatus; or
- (h) the carrying on the motor vehicle of any particular means of identification other than any means of identification required to be carried under the provisions of the Road Traffic Laws,

shall, in respect of such liabilities as are required to be covered by a policy under paragraph (b) of subsection (1) of section 6 of this Act, be of no effect:

Provided that nothing in this section shall require an insurer to pay any sum in respect of the liability of any person otherwise than in or towards the discharge of that liability and any sum paid by an insurer in or towards the discharge of the liability of any person which is covered by the policy by virtue only of this section shall be recoverable by the insurer from that person.

#### **10. Duty of insurers to satisfy judgments against persons insured in respect of third party risks**

(1) If after a certificate of insurance has been delivered under the provisions of subsection (4) of section 6 of this Act to the person by whom a policy has been effected, judgment in respect of any such liability as is required to be covered by a policy issued under the provisions of paragraph (b) of subsection (1) of section 6 of this Act, being a liability covered by the terms of the policy, is obtained against any person insured by the policy then, notwithstanding that the insurer may be entitled to avoid or cancel or may have avoided or cancelled the policy, the insurer shall, subject to the provisions of this section, pay to the persons entitled to the benefit of such judgment any sum payable thereunder in respect of the liability including any sum payable in respect of costs and any sum payable by virtue of any written law in respect of interest on that sum or judgment.

- (2) No sum shall be payable by an insurer under the provisions of subsection (1)-
- (a) in respect of any judgment unless before or within seven days after the commencement of the proceedings in which the judgment was given the insurer had notice of the bringing of the proceedings; or
- (b) in respect of any judgment so long as execution thereon is stayed pending an appeal; or
- (c) in connection with any liability if before the happening of the event, which was the cause of the death or bodily injury giving rise to the liability, the policy was cancelled by mutual consent or by virtue of any provision contained therein and either-
  - (i) before the happening of such event the certificate of insurance was surrendered to the insurer or the person to whom the certificate of insurance was delivered made a statutory declaration stating that the certificate of insurance had been lost or destroyed and so could not be surrendered; or
  - (ii) after the happening of such event but before the expiration of fourteen days from the taking effect of the cancellation of the policy the certificate of insurance was surrendered to the insurer or the person to whom the certificate of insurance was delivered a statutory declaration that the certificate of insurance had been lost or destroyed and so could not be surrendered; or
  - (iii) either before or after the happening of the event or within a period of fourteen days from the taking effect of the cancellation of the policy

the insurer had commenced proceedings under this Act in respect of the failure to surrender the certificate of insurance.

(3) No sum shall be payable by an insurer under the provisions of this section if in an action commenced before or within three months after the commencement of the proceedings in which the judgment was given he has obtained a declaration that apart from any provision contained in the policy, he is entitled to avoid it on the ground that it was obtained by the non-disclosure of a material fact or by a representation of fact which was false in a material particular or if he has avoided the policy on the ground that he was entitled to do so apart from any provision contained in it:

Provided that an insurer who has obtained such a declaration in an action shall not thereby be entitled to the benefit of the provisions of this subsection in respect of any judgment obtained in any proceedings commenced before the commencement of that action unless before or within seven days after the commencement of that action he has given notice thereof to the person who is plaintiff in the action under the policy specifying the non-disclosure or false representation on which he proposes to rely and that he intends to seek a declaration and any person to whom notice of such action is given may, if he desires, be made a party thereto.

(4) If the amount which an insurer under the provisions of this section becomes liable to pay in respect of the liability of a person insured by the policy exceeds the amount for which he would, apart from the provisions of this section, be liable to pay under the policy in respect of that liability he shall be entitled to recover the excess from that person.

(5) In this section, unless the context otherwise requires-

**"liability covered by the terms of the policy"** means a liability which is covered by the policy or which would be so covered were it not that the insurer is entitled to avoid or cancel or has avoided or cancelled the policy; and

**"material"** means of such a nature as to influence the judgment of a prudent insurer in determining whether he will accept the risk and if so, at what premium and on what conditions.

## **11. Rights of third parties against insurers**

(1) Where under a policy issued for the purposes of this Act a person, hereinafter referred to as the insured, is insured against liabilities to third parties which he may incur, then-

- (a) in the event of the insured becoming bankrupt or making a composition or arrangement with his creditors; or
- (b) in the event of the insured being a company and a winding-up order being made or a resolution for the voluntary winding up of the company being passed in respect of the company or a receiver or manager of the company's business or undertaking being duly appointed or in the event of possession being taken by or on behalf of the holders of any debentures secured by a floating charge, of any property comprised in or subject to the charge,

if either before or after either event any such liability is incurred by the insured his rights against the insurer under the policy in respect of that liability shall, notwithstanding anything in any written law to the contrary contained, be transferred to and vest in the third party to whom the liability was so incurred.

(2) Where under the provisions of any law an order is made for the administration in bankruptcy of the estate of a deceased debtor then if any debt, which may be proved in bankruptcy, is owing by the deceased in respect of a liability against which he was insured under a policy issued for the purposes of this Act as being a liability to a third party then the rights of the deceased debtor against the insurer under that policy shall, notwithstanding anything in any law to the contrary contained, be transferred to and vest in the person to whom the debt is owing.

(3) Any condition in a policy issued for the purposes of this Act purporting directly or indirectly to avoid the policy or to alter the rights of the parties thereunder upon the happening of any of the events specified in subsections (1) and (2) of this section shall be of no effect.

(4) Upon a transfer of rights under subsection (1) or subsection (2) of this section the insurer shall, subject to the provisions of section 13 of this Act be under the same liability to the third party as he would have been under to the insured save that-

- (a) if the liability of the insurer to the insured exceeds the liability of the insured to the third party nothing in this Act shall affect the right of the insured against the insurer in respect of such excess; and
- (b) if the liability of the insurer to the insured is less than the liability of the insured to the third party nothing in this Act shall affect the rights of the third party against the insured in respect of the balance.

(5) Sections 11, 12 and 13 of this Act shall not apply-

- (a) where a company is wound up voluntarily merely for the purposes of reconstruction or of amalgamation with another company; or
- (b) to any case to which the provisions of section 26 of the Workmen's Compensation Act applies.

(6) For the purposes of sections, 11, 12 and 13 of this Act the expression "**liabilities to third parties**" in relation to a person insured under a policy of insurance shall not include any liability of that person in the capacity of insurer under some other policy of insurance.

## **12. Duty to give information to third parties**

(1) Any person against whom a claim is made in respect of any liability required to be covered by a policy under the provisions of this Act shall on demand by or on behalf of the person making such claim state whether or not he was insured in respect of that liability by any policy having effect for the purposes of this Act or would have been so insured if the insurer had not cancelled or avoided the policy and, if he were or would have been so insured, give such particulars with regard to that policy as were specified in the certificate of insurance issued to him in respect thereof.

(2) In the event of any person becoming bankrupt or making a composition or arrangement with his creditors or in the event of an order being made under the provisions of any law relating to bankruptcy in respect of the estate of any person or in the case of a winding-up order being made or a resolution for a voluntary winding up being passed with respect to any company or of a receiver or manager of the company's business or undertaking being duly appointed or of possession being taken, by or on behalf of the holders of any debentures secured by a floating charge, of any property comprised in or subject to the charge, it shall be the duty of the bankrupt debtor, personal representative of the deceased debtor and, as the case may be, of the official assignee, trustee, liquidator, receiver, manager, or person in possession of the property to give at the request of any person claiming in respect of a liability to him such information as may reasonably be required to ascertain whether any rights have been transferred to and vested in him under the provisions of this Act, and for the purpose of enforcing such rights, and any contract of insurance in so far as it purports either directly or indirectly to avoid the contract or to alter the rights of the parties thereunder upon the giving of any such information or otherwise to prohibit, prevent or limit the giving of such information shall be of no effect.

(3) If the information given to any person in pursuance of the provisions of subsection (2) of this section discloses reasonable grounds of belief that rights may have been transferred to him under the provisions of this Act against any particular insurer, that insurer shall be subject to the same duty as is imposed by subsection (2) of this section on the persons therein mentioned.

(4) The duty imposed by this section to give information shall include a duty to allow all contracts of insurance, receipts for premiums and other relevant documents in the pos-

session, power or control of the person on whom the duty is so imposed to be inspected and copies thereof to be taken.

(5) Any person who, without reasonable excuse, the onus of proving which shall be upon him, fails to comply with the provisions of this section or who wilfully or negligently makes any false or misleading statement in reply to a demand for information, shall be guilty of an offence against this Act.

### **13. Certain settlements between insurer and insured to be of no effect**

Where a person who is insured under a policy issued for the purposes of this Act has become bankrupt or where such insured person being a company, a winding-up order has been made or resolution for a voluntary winding-up has been passed with respect to that company no agreement made between the insurer and the insured after liability has been incurred to a third party and after the commencement of the bankruptcy or the winding up, as the case may be, nor any waiver, assignment or other disposition made by or payment made to the insured after such commencement shall be effective to defeat or affect the rights transferred to or vested in the third party under the provisions of this Act and such rights shall be the same as if no such agreement, waiver, assignment, disposition or payment had been made.

### **14. Bankruptcy of insured person not to affect certain claims**

Where under the provisions of this Act a certificate of insurance has been delivered to the person by whom a policy has been effected the happening in relation to any person insured by the policy of any of the events specified in subsection (1) or subsection (2) of section 11, notwithstanding anything in this Act contained, shall not affect any such liability of that person as is required to be covered by a policy under the provisions of this Act, and nothing in this section shall affect any rights against the insurer conferred under the provisions of sections 11, 12 and 13 of this Act on the person to whom the liability was incurred.

### **15. Further rights of third parties against insurers**

(1) No settlement made by an insurer in respect of any claim which might be made by a third party in respect of any liability as is required to be covered by a policy issued under the provisions of this Act shall be valid unless such third party is a party to such settlement.

(2) A policy issued under the provisions of this Act shall remain in force and available for third parties notwithstanding the death of any person insured under such policy as if such insured person were still alive.

### **16. Duty to surrender certificate on cancellation of policy**

Where a certificate of insurance has been delivered under the provisions of this Act to the person by whom a policy has been effected and the policy is cancelled by mutual consent or by virtue of any provision in the policy, the person to whom such certificate was delivered shall, within seven days from taking effect of the cancellation of such policy, surrender such certificate to the insurer or if such certificate has been lost or destroyed, make a statutory declaration to that effect and any person contravening the provisions of this section shall be guilty of an offence against this Act.

### **17. Certificates to be produced and interpretation**

(1) Any person driving a motor vehicle on a highway shall, on being so required by a police officer, give his name and address and the name and address of the owner of the motor vehicle and shall produce his certificate of insurance and any person contravening the provisions of this subsection shall be guilty of an offence against this Act.

(2) In any case where owing to the presence of a motor vehicle on a highway an accident occurs involving bodily injury to any person the driver of the motor vehicle shall

produce his certificate of insurance to a police officer or to any person having reasonable grounds for requiring its production and if any such driver for any reason fails so to produce his certificate of insurance he shall so soon as possible, and in any case within 24 hours of the occurrence report the accident and produce his certificate of insurance to the police station nearest to the scene of the accident or to the nearest administrative officer and any person contravening the provisions of this subsection shall be guilty of an offence against this Act.

(3) The provisions of this section shall be in addition to and not in derogation of the relevant provisions of the Road Traffic Laws.

(4) In this section "**to produce a certificate of insurance**" means to produce for examination the relevant certificate of insurance or certificate of security or such other evidence as may be prescribed that the motor vehicle was not being driven in contravention of the provision of this Act.

(5) In this section "**police officer**" includes a member of the Nigeria Police Force, a member of a police force established and maintained by the Federal Government of Nigeria.

#### **18. Duty of owner**

An owner of a motor vehicle shall give such information as may be required by a police officer for the purpose of determining whether the motor vehicle was or was not being driven in contravention of the provisions of this Act on any occasion in which the driver was required to produce his certificate and any owner failing so to do shall be guilty of an offence against this Act.

#### **19. Deposits**

Where a sum is deposited by any person under the provisions of section 5 of this Act or as a condition of approval by the Minister under the provisions of section 6 or section 7 of this Act, neither that sum nor any part thereof shall, so long as any liability being a liability required to be covered by a policy of insurance under this Act which has been incurred by such person remain undischarged or otherwise unprovided for, be applicable in discharge of any other liabilities incurred by such person.

#### **20. False statements, forging, etc., certificates and power of police to seize documents**

(1) If any person for the purpose of obtaining a certificate of insurance or a certificate of security under the provisions of this Act makes any statement either oral or written which is false or misleading or withholds any material information such person shall, unless he proves to the satisfaction of the court that he acted without any intent to deceive, be guilty of an offence against this Act and be liable, on conviction, to a fine of four hundred naira or to imprisonment for two years or to both such fine and imprisonment.

(2) Any person who with intent to deceive-

(a) forges, alters, defaces or mutilates any certificate of insurance or certificate of security or any other certificate or document issued under this Act; or

(b) uses or allows to be used by any other person any forged, altered, defaced or mutilated certificate of insurance or certificate of security or any other certificate or document issued under this Act; or

(c) lends to or borrows from any other person a certificate of insurance or a certificate of security or any other certificate or document issued under the provisions of this Act; or

(d) makes or has in his possession any document so closely resembling any certificate or document issued under the provisions of this Act as to be calculated to deceive; or

(e) issues any certificate of insurance or certificate of security or other certificate or document to be issued under the provisions of this Act,

shall be guilty of an offence and liable, on conviction, to a fine of two hundred naira or to imprisonment for two years or to both such fine and imprisonment.

(3) If any police officer has reasonable cause to believe that any certificate of insurance or certificate of security or any other certificate of or document produced to him in pursuance of the provisions of this Act by the driver or owner of a motor vehicle is a document in relation to which an offence under this section has been committed, he may seize the document and when any such document is so seized the driver and the owner of such motor vehicle or either of them shall, if neither of them has been charged with an offence under the provisions of this section, be summoned before a magistrate to account for the possession of or the presence on the motor vehicle of the said document, and the magistrate may make such order respecting the disposal of the document and award such costs as he may deem just.

## **21. Application of Act to securities**

(1) The provisions of this Act shall apply in relation to securities or to cash deposits and any certificate or document issued in respect thereof, issued or made in accordance with the provisions of this Act as such provisions apply in relation to policies of insurance and in relation to any such security or cash deposit and any certificate or document issued in respect thereof and references in this Act to being insured, to a certificate of insurance, to an insurer and to persons insured shall be construed as references to the having in force of the security or of the cash deposit, to the certificate of security or other certificate or document issued in respect of a cash deposit, to the giver of the security or the person making the cash deposit and to the persons whose liability is covered by the security or the cash deposit.

(2) In this Act references to a certificate of insurance in any provision relating to the surrender or loss or destruction of a certificate shall, in relation to policies under which more than one certificate is issued be construed as references to all or any of such certificates and shall, where any copy of a certificate has been issued, be construed as including a reference to such copy.

## **22. General penalty**

Any person who is guilty of an offence against this Act for which no special penalty is provided shall, on conviction, be liable in respect of a first conviction, to a fine of one hundred naira or six months' imprisonment or to both such fine and imprisonment and in the case of a second or subsequent conviction to a fine of two hundred naira or to imprisonment for one year or to both such fine and imprisonment.

## **23. Power to make regulations**

The Minister may make regulations for prescribing everything which may be prescribed under the provisions of this Act and generally for the purpose of putting this Act into effect and in particular but without prejudice to the generality of the foregoing provisions may make regulations-

- (a) prescribing the forms to be used for the purposes of this Act;
- (b) declaring approved insurers;
- (c) prescribing the requirements in relation to securities either generally or in any particular case;
- (d) as to applications for and the issue of certificates of insurance and any other documents which may be prescribed and as to the keeping of records of docu-

- ments and the furnishing of particulars thereof and the giving of information with respect thereto;
- (e) as to the issue of copies of any certificates or documents which are lost, mutilated or destroyed;
  - (j) as to the custody, production, cancellation and surrender of any such certificates or other documents;
  - (g) for providing that any of the provisions of this Act shall, in relation to motor vehicles brought into Nigeria by persons making only a temporary stay in Nigeria, have effect subject to such modifications and adaptations as may be prescribed;
  - (h) with respect to the payment of deposits and the documents to be issued in relation thereto and the investments thereof and dealing with the deposit of stocks or other securities in lieu of money, the payment of the interest or dividends from time to time accruing due on any securities in which deposits may be for the time invested and the withdrawal and transfer of deposits;
  - (i) prescribing fees to be charged in respect of anything done under the provisions of this Act;
  - (j) prescribing penalties for the breach of any regulations made hereunder not exceeding a fine of four hundred naira or imprisonment for two years or both such fine and imprisonment.

## MOTOR VEHICLES (THIRD PARTY INSURANCE) ACT

### SUBSIDIARY LEGISLATION

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#### *List of Subsidiary Legislation*

1. The Motor Vehicles (Third Party Insurance) Regulations.
  2. Motor Vehicles Insurance (Local Government Authorities and Townships) (Exemption) Order.
  3. Motor Vehicles Insurance (Foreign Governments) (Exemption) Order.
  4. Motor Vehicles Insurance (Townships Exemption) Order.
  5. Motor Vehicles Insurance (Niger, Ikot Ekpene and Eket Local Government Councils Exemption) Order.
  6. Motor Vehicles Insurance (Local Government Councils) (Exemption) Order.
  7. Motor Vehicles Insurance (U.N.I.C.E.F.) (Exemption) Order.
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## THE MOTOR VEHICLES (THIRD PARTY INSURANCE) REGULATIONS

[Regulations 22 of 1948. 7 of 1949. 42 of 1950.]

## PART I

### *Preliminary*

#### **1. Short title**

These Regulations may be cited as the Motor Vehicles (Third Party Insurance) Regulations.

#### **2. Interpretation**

In these Regulations-

"insurer" means an insurer duly approved by the Minister and includes firms, persons and bodies of persons duly approved by the Minister by whom security may be given for the purposes of the Act;

"policy" means such policy of insurance in respect of third party risks arising out of the use of motor vehicles as complies with the provisions of the Act and includes a covering note;

"security" means such security in respect of third party risks arising out of the use of motor vehicles as complies with the provisions of the Act.

## PART II

### *Certificates*

#### **3. Certificates of insurance and of security**

An insurer shall issue to every holder of a security or of a policy, other than a covering note issued by the insurer-

(a) in the case of a policy relating to specified motor vehicles a certificate of insurance in the Form A in the Schedule hereto in respect of each such motor vehicle;

[Form A. Schedule.]

(b) in the case of a security relating to specified motor vehicles a certificate of security in the Form D in the Schedule hereto in respect of each such motor vehicle;

[Form D. Schedule.]

(c) in the case of a policy or security not relating to any specified motor vehicle such number of certificates in the Form B or D in the Schedule hereto as may be necessary for the requirements for the production of evidence that a motor vehicle is not being driven in contravention of the Act or of these Regulations.

[Form B. Schedule.]

#### **4. Covering notes**

Every policy in the form of a covering note issued by an insurer shall have printed thereon a certificate of insurance in the Form C in the Schedule hereto.

[Form C. Schedule.]

#### **5. Issue of certificates**

(1) Every certificate of insurance or certificate of security shall be duly authenticated by or on behalf of the insurer by whom it is issued.

(2) Each such certificate shall be issued not later than three days after the date on which the policy or security is issued or renewed.

#### **6. Further certificates**

Where under the terms of a policy or security relating to a specified motor vehicle the holder is entitled to drive any other motor vehicle than that specified without contravention of the Act or these Regulations the insurer by whom such policy or security was issued may, and shall on demand being so made by the holder, issue to him a further certificate of insurance in the Form A or B in the Schedule hereto or a further certificate of security in the Form D in the Schedule hereto.

[Forms A, B and D. Schedule.]

#### **7. Documents to be carried in respect of motor vehicles exempted or where deposit has been made**

(1) The documents set out hereunder shall be produced by the driver of any motor vehicle to which this regulation applies as evidence that such motor vehicle is not being driven in contravention of the Act-

- (a) in the case of a motor vehicle in respect of which a deposit has been lodged with the Accountant-General of the Federation in accordance with the provisions of the Act a certificate in the Form E in the Schedule hereto signed by the owner of the motor vehicle or some person on his behalf and countersigned by the Accountant-General of the Federation or some officer on his behalf;

[Form E. Schedule.]

- (b) in the case of a motor vehicle owned by the Imperial Government or the Government a certificate in the Form F in the Schedule hereto signed by a duly authorised officer of the department possessing or using such motor vehicle;

[Form F. Schedule.]

- (c) in the case of other motor vehicles exempted from the provisions of the Act a certificate in the Form F in the Schedule hereto signed in the case of allied or associated forces by a duly authorised officer and in other cases by a superior police officer.

(2) When a certificate is issued under the provisions of this regulation and the motor vehicle in respect of which the certificate issued is to be sold or otherwise disposed of then if such certificate has been countersigned by the Accountant-General of the Federation or an officer on his behalf it shall be returned to the Accountant-General of the Federation before the completion of such sale or other disposal and in all other cases such certificate shall be destroyed by the person by whom it was issued before the completion of the sale or other disposal.

#### **8. Certificate to be printed**

(1) Every certificate issued under the provisions of the Act and of these Regulations shall be printed and completed in black over strong white paper or similar material, or where the certificate authorises the use of a motor vehicle for carrying passengers for hire or reward, it shall be printed and completed over strong green paper or similar material.

[L.N. 194 of 1959.]

- (2) No certificate so issued shall contain anywhere thereon any advertising matter:

Provided that the name and address of the insurer by whom it was issued or a reproduction of the seal of the insurer or any monogram or similar device of the insurer or the name and address of an insurance broker shall not be deemed to be advertising matter for the purposes of this regulation if it is printed or stamped at the foot or on the back of such certificate.

#### **9. Production of certificate, etc., on application for registration or licence**

Where, under the provisions of any written law, any fee or tax is at any time payable or any permit or licence is required in respect of a motor vehicle, the person paying such fee or tax or applying for such permit or licence shall at the time of such payment or application produce-

- (a) his certificate of insurance or of security in respect of such motor vehicle; or
- (b) his certificate of deposit with the Accountant-General of the Federation; or
- (c) his certificate of ownership or exemption issued under the provision of regulation 7 of these Regulations,

to show that on the date on which the application or payment is made there is in force, or on the date when the permit or licence comes into operation there will be in force, a policy or security in respect of such motor vehicle or that such motor vehicle is exempted from the provisions of the Act.

#### **10. Insurer to keep records**

(1) Every insurer by whom a policy or security is issued shall keep a record of the following particulars relative thereto and of any certificate issued in connection therewith-

- (a) the full name and address of the person to whom the policy, security or certificate is issued;
- (b) in the case of a policy or security relating to specified motor vehicles the index mark and registration number of each such motor vehicle;
- (c) the date on which the policy or security comes into force and the date on which it expires;
- (d) in the case of a policy the conditions subject to which the persons or classes of person specified in the policy will be indemnified;
- (e) in the case of a security the conditions subject to which the undertaking by the insurer under the security will be implemented.

(2) Every such record shall be preserved for at least one year from the date of expiration of the policy or security.

(3) A person who has deposited and keeps deposited with the Accountant-General of the Federation a sum in accordance with the provisions of the Act shall keep a record of the motor vehicles owned by him and of any certificates issued under the provisions of these Regulations in respect of such motor vehicles and of the withdrawal or destruction of such certificates.

(4) Any person or firm required to keep such records under the provisions of this regulation shall, without charge, permit inspection of such records by and furnish any particulars thereof on request to the Inspector-General of Police or any superior police officer so authorised by him.

#### **11. Notification that policy or security ceases to be effective**

Where to the knowledge of an insurer a policy or security issued by him ceases to be effective without the consent of the person to whom it was issued otherwise than by efflux of time or by reason of the death of such person, the insurer shall forthwith notify the Inspector-General of Police of the date on which the policy or security ceased to be effective.

#### **12. Return of certificates**

Where with the consent of the person to whom it was issued a policy or security is transferred, suspended or ceases to be effective otherwise than by efflux of time such person shall forthwith return any relevant certificates to the insurer by whom such certificates were issued and a new policy or security shall not be issued to such person nor shall the original policy or security be transferred to any other person unless and until such certificates have been returned to the insurer or the insurer is satisfied that such certifi-

cates have been lost or destroyed and where the insurer is so satisfied that any such certificates have been lost he shall so notify the Inspector-General of Police.

### **13. Issue of fresh certificates**

Where an insurer is satisfied that a certificate of insurance or a certificate of security issued by him has become defaced, or has been lost or destroyed he shall, if so requested by the person to whom any such certificate was issued, issue to that person a fresh certificate and shall so notify the Inspector-General of Police.

### **14. Statutory declarations**

Every statutory declaration made for the purposes of the Act shall be treated as and delivered to the insurer in like manner as if it were a certificate.

## PART III

### *Visitors*

### **15. Interpretation**

In this Part-

"**issuing authority**" means the central registrar and licensing authorities appointed under the provisions of the Road Traffic Act;

[Cap. 184 of 1958 Edition.]

"**motor vehicle**" means a motor vehicle brought into Nigeria by a visitor;

"**temporary stay**" means a period of three months or under;

"**visitor**" means a person bringing a motor vehicle into Nigeria from a place outside Nigeria who is making only a temporary stay in Nigeria.

### **16. Visitors**

A visitor who is the holder of a policy of insurance issued in any place outside Nigeria in respect of third party risks arising out of the use by him, his servants or agents, of a motor vehicle in Nigeria may make application to an issuing authority for a certificate of foreign insurance in the Form G in the Schedule hereto.

[Form G. Schedule.]

### **17. Issue of certificate of foreign insurance**

An issuing authority if he is satisfied that the terms of any such policy comply with the provisions of the Act may issue a certificate of foreign insurance to any visitor who makes application there for in accordance with the provisions of these Regulations.

### **18. Application for certificate of foreign insurance**

An application for a certificate of foreign insurance shall be signed by the visitor by whom it is made and shall be accompanied by the policy or a certified copy thereof and shall specify-

- (a) the number of the policy and the name and address of the insurer who issued the policy; and
- (b) the date of issue of and the date of expiry of such policy, and

shall contain a declaration by the visitor applicant that the provisions of such policy with respect to third party risks comply with the provisions of the Act and are effective in regard to the user by him, his servants or agents, of such motor vehicle in Nigeria.

### **19. Effect of a certificate of foreign insurance**

(1) Every certificate of foreign insurance shall be signed by the issuing authority and the period of validity of such certificate shall not exceed the unexpired period covered by

the policy to which it relates and shall not in any case exceed a period of three months from the date on which the motor vehicle is brought into Nigeria.

(2) For the purposes of the Act and of these Regulations a certificate of foreign insurance shall be deemed to have effect as if it were a certificate of insurance issued by an approved insurer.

#### **20. Return of certificates of foreign insurance**

A certificate of foreign insurance shall forthwith be returned by the visitor to the issuing authority if the motor vehicle is sold or otherwise disposed of during the period for which such certificate is valid, or if the visitor obtains a new policy of insurance or if for any reason another certificate of foreign insurance is issued to him during his stay in Nigeria or on the expiration of the period of validity of such certificate and where a certificate is not for any of these reasons returned to the issuing authority it shall be surrendered to the issuing authority when the motor vehicle is taken out of Nigeria on completion of the visitor's temporary stay.

#### **21. Record of certificates of foreign insurance**

Each issuing authority shall keep a record of the following particulars of certificates of foreign insurance issued by him-

- (a) the full name and address of the person to whom the certificate is issued and particulars of the persons or classes of person covered under the policy in respect of the driving of the motor vehicle;
- (b) the date on which the policy of insurance commences and the date on which it expires;
- (c) the name, address and description of the insurer issuing such policy;
- (d) the date of the return of such certificate to the issuing authority.

#### **22. Return by licensing authorities**

Each licensing authority shall furnish to the central registrar a monthly return of certificates of foreign insurance issued by him with such other details as the central registrar may from time to time require.

#### **23. Deposits**

Where a visitor makes a deposit with the Accountant-General of the Federation in lieu of obtaining a certificate of insurance, or a certificate of security or a certificate of foreign insurance, such deposit shall be held by the Accountant-General of the Federation for a period of twelve months after the departure from Nigeria of such visitor or until the termination of any proceedings respecting the liability of such visitor in respect of any third party risks as the case may be.

### **PART IV**

#### *Miscellaneous*

#### **24. Penalty**

Any person contravening or failing to comply with the provisions of these Regulations shall be liable on summary conviction to a fine of two hundred naira or to imprisonment for six months or to both such fine and imprisonment.

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#### **SCHEDULE**

[Regulations 3,4 and 6.]

#### **FORM A**

*Certificate of Insurance*

Certificate No..... Policy No.....

1. Index mark and registration number of vehicle .....
  2. Name of policy holder .....
  3. Effective date of the commencement of insurance for the purposes of the Act .....
- 
4. Date of expiry of insurance .....
  5. Persons or classes of persons entitled to drive\* .....
  6. Limitation as to use\* .....

I/We hereby certify that the policy to which this certificate relates is issued in accordance with the provisions of the Motor Vehicles (Third Party Insurance) Act.

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*Approved Insurers*

\* Limitations rendered inoperative by the provisions of the Motor Vehicles (Third Party Insurance) Act are not to be included under this heading.

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FORM B  
[Regulations 3, 4 and 6.]  
*Certificate of Insurance*

- Certificate No..... Policy No.....
1. Description of vehicles .....
  2. Name of policy holder .....
  3. Effective date of commencement of insurance for the purposes of the Act .....
- 
4. Date of expiry of insurance .....
  5. Persons or classes of persons entitled to drive .....
  6. Limitations as to use\* .....

I/We hereby certify that the policy to which this certificate relates is issued in accordance with the provisions of the Motor Vehicles (Third Party Insurance) Act.

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*Approved Insurers*

\* Limitations rendered inoperative by the provisions of the Motor Vehicles (Third Party Insurance) Act are not to be included under this heading.

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FORM C  
[Regulation 4.]

*Certificate of Insurance*

I/We hereby certify that this covering note is issued in accordance with the provisions of the Motor Vehicles (Third Party Insurance) Act.

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*Approved Insurers*

FORM D

[Regulation 3 (b), 6.]

*Certificate of Security*

Certificate No..... Policy No.....

1. Name of holder of security .....
2. Effective date of the commencement of security for the purposes of the Act .....
3. Date of expiry of security .....
4. Conditions to which security is subject\* .....

I/We hereby certify that the security to which this certificate relates is issued in accordance with the provisions of the Motor Vehicles (Third Party Insurance) Act.

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*Approved Insurers  
(Authorised under the Motor Vehicles  
(Third Party Insurance) Act to issue securities)*

\* Conditions rendered inoperative by the provisions of the Motor Vehicles (Third Party Insurance) Act are not to be included under this heading.

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FORM E

[Regulation 7.]

*Certificate of Deposit*

I/We hereby certify that I am/we are the owner/owners of the vehicle of which the registration mark and number are ..... and that in pursuance of the provisions of the Motor Vehicles (Third Party Insurance) Act, I/we have deposited with the Accountant-General of

the Federation the sum of .....

.....  
.....  
*Countersigned*  
*Accountant-General of the Federation*      *Signed on behalf of* .....

FORM F  
[Regulation 7 (b).]

*Certificate of Ownership by the Government or of Ownership of Exempted Vehicle*

I hereby certify that the vehicle of which the registration mark and number are .....  
is the property of .....

.....  
*"Countersigned  
Inspector-General of Police*

.....  
*Signature  
Rank and Department*

\*Where necessary

FORM G  
[Regulation 16.J]

*Certificate of Foreign Insurance*

Certificate No. ..... Policy No. ....

- I. Date to which certificate is valid .....
2. Identification mark and number or numbers and make of vehicle .....
3. Persons or classes of person authorised to drive the vehicle .....
  
.....  
4. Date of commencement of policy .....
5. Date of expiry of policy .....

I hereby certify that this certificate is issued in accordance with the Regulations made under the Motor Vehicles (Third Party Insurance) Act.

(Signed) .....

*Issuing Authority*

**MOTOR VEHICLES INSURANCE (LOCAL GOVERNMENT AUTHORITIES AND TOWNSHIPS) (EXEMPTION) ORDER**  
[10 of 1950. L.N. I of 1958.]

**1. Short title**

This order may be cited as the Motor Vehicles Insurance (Local Government Authorities and Townships) (Exemption Order).

**2. Exemption of vehicles owned by native authorities and certain local authorities**

The following classes of vehicles are hereby exempted from the provisions of the Motor Vehicles (Third Party Insurance) Act-

[Cap. M22]

- (a) motor vehicles owned by any local government;
- (b) motor vehicles owned by the local government of the following townships,  
that is to say - Kano, Zaria and Jos;

[L.N. I of 1958.]

(c) motor vehicles owned by the Governor of Kaduna State.

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**MOTOR VEHICLES INSURANCE (FOREIGN GOVERNMENTS)  
(EXEMPTION) ORDER**  
[33 of 1950.]

**1. Short title**

This Order may be cited as the Motor Vehicles Insurance (Foreign Governments) Exemption) Order.

**2. Exemption of vehicles owned by the Governments of foreign States**

The following vehicles are hereby exempted from the provisions of the Motor Vehicles (Third Party Insurance) Act.

Motor vehicles owned by the Governments of the foreign States set out in the Schedule to this Order and provided for the use of a consular officer of such State while such vehicles are being used in the course of official duties.

[Cap. M22]

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**SCHEDULE**

The Government of the United States of America.

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**MOTOR VEHICLES INSURANCE (TOWNSHIPS  
EXEMPTION) ORDER**

[10 of 1952.]

**1. Short title**

This Order may be cited as the MOLOr Vehicles Insurance (Townships Exemption) Order.

**2. Exemptions**

Motor vehicles owned by the local government authorities of Aba, Enugu, Sapele and Warri Townships are hereby exempted from the provisions of the Motor Vehicles (Third Party Insurance) Act.

[Cap. M22]

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**MOTOR VEHICLES INSURANCE (NIGER, IKOT EKPENE AND EKET  
LOCAL GOVERNMENT COUNCILS EXEMPTION) ORDER**  
[22 of 1952.]

**1. Short title**

This Order may be cited as the Motor Vehicles Insurance (Niger, Jkot Ekpene and Eket Local Government Councils Exemption) Order.

**2. Exemptions**

Motor vehicles owned by the Niger, [kat Ekpene and Eket Local Government Councils are hereby exempted from the provisions of the Motor Vehicles (Third Party Insurance) Act.

**MOTOR VEHICLES INSURANCE (LOCAL GOVERNMENT COUNCILS)  
(EXEMPTION) ORDER**  
[L.N. 40 of 1954.]

**1. Short title**

This Order in Council may be cited as the Motor Vehicles Insurance (Local Government Councils) (Exemption) Order.

**2. Exemptions**

The following classes of vehicles are hereby exempted from the provisions of the Motor Vehicles (Third Party Insurance) Act:

Motor Vehicles owned by the following Local Government Councils-  
Aba-Ngwa Council;  
Aba Urban Council;  
Enugu Urban Council;  
Northern Ngwa Council;  
Calabar Urban Council.

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**MOTOR VEHICLES INSURANCE (U.N.L.C.E.F.)  
(EXEMPTION) ORDER**  
[L.N. 106 of 1954.]

**1. Short title**

This Order may be cited as the Motor Vehicles Insurance (U.N.LCE.F.) (Exemption) Order.

**2. Exemption**

Motor vehicles owned by the subsidiary organ of the United Nations known as the United Nations Children's Fund (U.N.LCE.F.) are hereby declared to be exempted from the provisions of the Motor Vehicles (Third Party Insurance) Act.

[Cap. M22]

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