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Legislation incorporated in this Consolidation	Ordinance	Date in Force
Motor Vehicles (Third Party Insurance) Ordinance 2001	2/01	23/04/2001
Motor Vehicles (Third Party Insurance)(Amendment) Ordinance 2001	9/01	30/07/2001
Motor Vehicles (Third Party Insurance)(Amendment) Ordinance 2007	20/07	14/08/2007
Limitations Ordinance 2013	17/13	01/07/2013

**M O T O R V E H I C L E S (T H I R D P A R T Y I N S U R A N C E)
O R D I N A N C E 2 0 0 1**

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**MOTOR VEHICLES (THIRD PARTY INSURANCE)
ORDINANCE 2001**

A Ordinance to amend and consolidate the Ordinance relating to compulsory insurance against third-party risk arising out of the use of motor vehicles

BE it enacted by the Administrator of the Sovereign Base Areas of Akrotiri and Dhekelia as follow:—

PART 1

General Provisions

Short title

1. This Ordinance may be cited as the Motor Vehicles (Third Party Insurance) Ordinance 2001.

Interpretation

2.—(1) In this Ordinance, unless the context otherwise requires—

“bankruptcy”, with its grammatical variations and cognate expression, includes insolvency under Republican Law and under the law of the Areas;

“Council of Bureaux” means the total number of bureaux dealing in international insurance responsible for the full compliance of members of the Geneva Recommendations intended to facilitate the movement of motorists in co-operation with the principal working group for internal road transportation of the United Nations Economic Commission for Europe;

“court” means the Judge’s Court of the Sovereign Base Areas;

“Cyprus International Insurance Bureau” means the company formed and registered in the Republic under the name of “Motor Insurer’s Fund”;

“driving licence” means a licence to drive a motor vehicle granted under the provisions of the Motor Vehicles and Road Traffic Ordinance;

“Foreign International Insurance Bureau” means the central organisation established by foreign insurers outside the Island of Cyprus for the purposes of giving effect to international arrangements with regard to insuring drivers of motor vehicles against third party risks when they visit countries where such insurance is compulsory and with which the Cyprus International Insurance Bureau has an agreement in force;

“insurer” means an insurance company or an underwriter within the meaning of the Insurance Companies Laws of the Republic or any other law amending or substituting for the same, carrying on the business of motor vehicles third party insurance;

“International Motor Vehicle Insurance Certificate” (known as “Green Card”) means a motor vehicle certificate of insurance issued—

(a) outside the Island of Cyprus by authority of any Foreign International Insurance Bureau,
or

(b) in the Island of Cyprus by authority of the Cyprus International Insurance Bureau;

“motor vehicle” means any mechanically or electrically propelled vehicle intended or adapted for use on road, any trailer when drawn thereby, but does not include a vehicle for use on rails, invalid carriages or grass cutting machines;

“Multilateral Guarantee Agreement” means the agreement signed by European countries under the auspices of the United Nations Economic Commission for Europe and which has also been signed by the Cyprus International Insurance Bureau;

“normally based” when used in relation to a motor vehicle means—

- (a) where there is displayed on the vehicle a registration number plate that is not a Cypriot number plate, the country in which that vehicle is registered;
- (b) where there is no registration number plate displayed but there is displayed a plate or other distinctive form showing an insurance number and the country that authorised the use of that plate or other form, being a country that does not require that car to be registered or to display a registration number plate;
- (c) in the case of vehicles coming from countries that do not require registration or the display of insurance numbers, the country in which the owner of the vehicle has his permanent residence.

“policy” means a policy of insurance and includes a covering note;

“road” means any road, street, square or open space to which the public has access, and includes bridges over which a road passes, harbours and airports excluding the runways or areas for parking of aircraft;

“section”, “subsection” and “Part” means a section, subsection or Part of this Ordinance;

(2) If any word or expression used in this Ordinance is defined in the Motor Vehicles and Road Traffic Ordinance (a) such word or expression, unless the context otherwise requires, shall bear in this Ordinance the meaning assigned to it in the said Ordinance.

Compulsory insurance against third party risks / offences and penalties

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

(2) The provisions of this Ordinance shall not apply in relation—

- (a) to the user of a motor vehicle owned by the Crown in any capacity or the by the Republic while such motor vehicle is being used for the purposes of the Crown in any capacity or the Republic, as the case may be; or
- (b) to any user of a motor vehicle when it is driven for police purposes by or under the direction of a police officer of the rank of Inspector or above as defined in the Police Ordinance (b); or
- (c) to any person or class of persons declared by the Administrator to be exempted from the provisions of this Ordinance, subject to such conditions, if any, as the Administrator may deem fit to impose; or
- (d) to any motor vehicle or type of motor vehicle declared by the Administrator to be exempted from the provisions of this Ordinance, subject to such conditions, if any, as the Administrator may deem fit to impose; or
- (e) to any motor vehicle which may also be used as a tool of trade and which, at the time the liability occurred, was firmly and securely fixed in an immovable position to the ground and was used as machinery or a tool and not as a motor vehicle.

(3) If a person acts in contravention of this section shall be guilty of an offence.

(4) A person charged with using a motor vehicle in contravention of this section shall not be convicted if he proves—

(a) Ordinances 8/1973, 5/1982, 2/1983, 11/1985 & 5/1999

(b) Ordinances 9/1967, 14/1969, 7/1975, 2/1993, 10/1998 and 25/1999

- (a) that the motor vehicle did not belong to him and was not in his possession either under a contract of hire or by virtue of being lent to him;
- (b) that he was using the motor vehicle in the course of his employment; and
- (c) that he neither knew nor had reason to believe that there was not in force, in relation to such motor vehicle, such policy as is mentioned in subsection (1) above.

(5) Any person convicted of an offence under this section shall be liable—

- (a) on a first conviction, to imprisonment not exceeding one year or to a fine not exceeding one thousand pounds or to both such penalties *and a person convicted of an offence under this section shall be disqualified from holding or obtaining a driving licence;***(a)**
- (b) on a second or subsequent conviction, for an offence under this section committed within two years of the date of the first or previous conviction, to imprisonment not exceeding two years or to a fine not exceeding two thousand pounds and in addition, the court may disqualify such convicted person from holding or obtaining a driving licence.

(6) Except for such cases as provided in subsection (7) below, a disqualification under subsection (5) above, unless the court for special reasons shall order otherwise, shall be for a minimum period of six months from the date of the conviction, or for such longer period as the court shall deem fit having regard to all the circumstance of the case.

(7) Upon a second or subsequent conviction of any person for an offence under this section, or upon such conviction following a previous conviction for an offence under the provisions of sections 5,6,7 or 13A of the Motor Vehicles and Road Traffic Ordinance**(b)** or under sections 203, 210 or 236 of the Criminal Code**(c)** committed in connection with the person who uses any motor vehicle, the disqualification under subsection (5) above, unless the court for special reasons shall order otherwise, shall be for a minimum period of twelve months from the date of the conviction, or for such longer period as the court shall deem fit having regard to all the circumstances of the case.

(8) Any person disqualified from holding or obtaining a driving licence under the provisions of this section shall be deemed to have been so disqualified under the provisions of the Motor Vehicles and Road Traffic Ordinance**(d)**.

(9) Any person who has been disqualified from holding or obtaining a driving licence under the provisions of this section for a period in excess of the minimum period specified in subsections (6) and 97) above, as the case may be, may, on the expiration or thereafter of the related minimum period, apply to the court to lift the disqualification and in such case the court may, as it deems proper, taking into consideration the character of the person disqualified, his conduct before and after the disqualification and the nature of the offence involved and any other relevant circumstances, by order lift the disqualification from such date as may be stated in the order or dismiss the application:

Provided that where any application under this section is dismissed, any subsequent application shall not be heard within three months of the date of such dismissal.

(10) Where the court orders that the disqualification be lifted, the court shall cause the details of the order to be endorsed on the driving licence of the applicant.

(11) For the purposes of this section the expression “special reasons” shall means reasons which are in the opinion of the court trying the offence, special to the offence or to the offender.

(a) Text inserted by Ordinance 9/2001 – came into force on 30 July 2001

(b) Ordinances 8/1973, 5/1982, 2/1983, 11/1985 and 5/1999

(c) Cap.154 (Laws of Cyprus) and Ordinances 1/1963, 17/1963, 10/1966, 8/1972, 1/1973, 4/1977, 7/1979, 8/1982, 7/1987, 24/1988, 2/1997 & 1/2000

(d) Ordinances 8/1973, 5/1982, 2/1983, 11/1985 and 5/1999

Conditions to be fulfilled by policy

4.—(1) In order to comply with the requirements of this Ordinance a policy in respect of a motor vehicle that is normally based in the Areas or in the Republic must satisfy the following conditions:

(2) The policy must be issued by an insurer;

(3) subject to subsections (4) and (5) below the policy—

(a) must insure such person or persons, or classes of persons 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 or damage to property caused by or arising out of a motor vehicle on a road in the Areas including the death or bodily injury of persons carried in pursuance of a contract of employment; fare paying passengers; members of the household of the insured; and persons who are in the motor vehicle in contravention of any Ordinance or regulation, other than persons carried in circumstances referred to in subsection (3) of section 14 (“exempted liability”); and

(b) must also insure him or them in respect of any liability which may be incurred by him or them caused by or arising out of the use of a motor vehicle in any country, outside the island of Cyprus, whose legislation in force provides for the compulsory insurance against civil liability cause by or arising out of the use of a motor vehicle in that country and which is a signatory to the Multilateral Guarantee Agreement:

Provided that, if the cover required under this Ordinance is for an amount larger than the amount required by the corresponding legislation of the country in which the event causing such liability occurred, the policy shall insure the person or persons or classes of persons referred to above for such larger amount; and

(c) must also insure him or them in respect of any liability which may be incurred by him or them under the provisions of this Ordinance relating to payment of emergency treatment.

(4) The policy shall not by virtue of paragraph (a) of subsection (3) above be required to cover liability for—

(a) bodily injury or death (including expenses and interest) in excess of two million pounds (£2,000,000) arising out of one incident,

(b) damage to the vehicle of the insured,

(c) damage to property (including expenses and interest) in excess of sixty thousand pounds (£60,000) arising out of one incident,

(d) damage to any item of property during loading upon, unloading from or transportation on or in a motor vehicle,

(e) damage to any item of property owned or is in the possession, custody or control of, the—

(i) insured person,

(ii) a member of the family of the insured person,

(f) damage to any bridge, weigh bridge, flyover, road or anything underneath them, cause by vibrations or the weight or of the load carried by, the motor vehicle.

(5) The policy shall not be required to cover—

(a) any contractual liability,

(b) liability in respect of death or bodily injury sustained arising out of or in the course of employment of, or as the case may be, by any person in the employment of a person insured, where such liability is covered by an insurance policy issued under the Employment Liability (Compulsory Insurance) Ordinance^(a),

(c) liability in respect of death or bodily injury of a passenger of the motor vehicle,

(a) Ordinance 1/1999

- (d) liability in respect of the death or bodily injury of a person which arises out of the deliberate, intentional activity, action or omission of that person which constitutes an offence under the Criminal Code^(a) and which cannot be deemed to be accidental.

(6) Notwithstanding any provisions in any Ordinance contained a person issuing a policy under or in accordance with the section shall be liable to indemnify the persons or classes of persons specified in the policy in respect of any liability which the policy purports to cover in the case of those persons or classes of persons.

(7) A policy shall be of no effect for the purposes of this Ordinance, unless and until there is issued by the insurer in favour of the person by whom the policy is effected a certificate of insurance in accordance with section 5.

Certificate of insurance

5.—(1) The certificate of insurance issued for the purposes of this Ordinance shall be valid only when—

- (a) it is issued by an insurer for the benefit of the holder of the policy;
- (b) it is in the form and contains all the particulars as prescribed, including the conditions to which the policy is subject, and
- (c) it has been delivered to the insured.

For the purposes of this subsection the certificate of insurance shall be deemed to be delivered when—

- (a) it has been collected personally by the insured or his authorised representative, or
- (b) it has been sent by post; or
- (c) a true copy of it has been transmitted by means of facsimile transmission or electronic mail.

(2) The certificate of insurance issued in accordance with subsection (1) above, shall be valid in the Areas, the Republic and the countries which countersigned the Multilateral Guarantee Agreement and shall be deemed to cover the minimum requirements of the corresponding legislation of such countries providing for the compulsory insurance against civil liability arising out of the use of motor vehicles in such countries.

Other certificate of insurance acceptable in the Areas

6. Notwithstanding anything in this Ordinance contained, where the use of a motor vehicle that is normally based outside the Island of Cyprus is insured by—

- (a) an International Motor Vehicles Insurance Certificate (“Green Card”),
- (b) a certificate of frontier insurance issued in connection with a motor vehicle which is normally based in a member state of the European Union or is in the European Economic Area, or
- (c) a certificate of insurance issued in a country that is a signatory to the Multilateral Guarantee Agreement,

such use shall be deemed to be insured by a policy which complies with the requirements of this Ordinance.

(a) Cap.154 (Laws of Cyprus and Ordinances 1/1963, 17/1963, 10/1966, 8/1972, 1/1973, 4/1977, 7/1979, 8/1982, 7/1987, 24/1988, 2/1997 & 1/2000)

Avoidance of certain agreements as concerns third party risks

7.—(1) This section applies where a person uses a motor vehicle in circumstances where under section 3 above there is required to be in force in relation to his use of it such policy as complies with the requirements of this Ordinance.

(2) If any other person is carried on or in the motor vehicle while the user is so using it, any antecedent agreement or understanding between them (whether intended to be legally binding or not) shall be of no effect so far as it purports or might be held—

- (a) to negative or restrict any such liability of the user in respect of persons in or upon the vehicles as is required by section 3 to be covered by a policy, or
- (b) to imposed any conditions with respect to the enforcement of any such liability of the user.

(3) The fact that a person so carried has willingly accepted as his the risk of negligence on the part of the user shall not be treated as negating any such liability of the user.

(4) For the purposes of this section—

- (a) references to a person being carried in or upon a motor vehicle including reference to a person entering or getting on to, or alighting from, the motor vehicle, and
- (b) the reference to any antecedent agreement is to one made at any time before the liability arose.

Ineffective terms in policy

8. Any condition in a policy issued or given for the purposes of this Ordinance, providing that no liability shall arise under the policy 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, shall be of no effect in connection with such claims as are set out in subsection (3) of section 4:

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

Avoidance of restrictions in policies regarding extent of liability against third party

9.—(1) Where a certificate of insurance has been issued and delivered under section 5 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 by reference to any of the matters mentioned in subsection (2) below as respects such liabilities as are required to be covered by the policy under section 4, shall be of no effect.

(2) Those matters are—

- (a) the age or physical or mental condition of persons driving the motor vehicle; or
- (b) the condition, maintenance and security 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 cylinder capacity or the 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 Motor Vehicles and Road Traffic Ordinance^(a).

Duty to produce certificate and procedure on taking and furnishing particulars

10.—(1) Any person driving a motor vehicle on a road 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 Ordinance:

Provided that if the driver of the motor vehicle within two days after the production of the certificate of insurance was so required produces such certificate in person at such police station as may have been specified by him at the time its production was required, he shall not be convicted of an offence under this subsection by reason only of failure to produce the certificate of insurance to such police officer.

(2) In any case where owing to the presence of a motor vehicle on a road an accident occurs involving bodily injury to any person or damage to property 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 to so produce his certificate of insurance he shall as soon as possible, and in any case within twenty-four hours of the occurrence report the accident and produce his certificate of insurance to the police station nearest to the scene of the accident and any person contravening the provisions of this subsection, shall be guilty of an offence against this Ordinance.

(3) The provisions of this section shall be in addition and not in derogation of any provisions of the Motor Vehicles and Road Traffic Ordinance^(b), or any regulations made thereunder relating to report of accidents.

(4) In this section “to produce a certificate of insurance” means to produce for examination the relevant certificate of insurance, or such other evidence as may be prescribed, that the motor vehicle was not being driven in contravention of the provisions of this Ordinance.

(5) The Chief Constable shall as soon as possible, furnish free of charge to the Cyprus International Insurance Bureau upon written application by such Bureau any information of the particulars recorded by a police officer under the provisions of this section and section 11.

Duty of owner to furnish information

11. The owner of the 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 Ordinance on any occasion on which the driver was so required to produce his certificate of insurance and any owner failing to do so shall be guilty of an offence against this Ordinance.

Procedure on taking and furnishing particulars in relation to insurance cover of foreign motor vehicles

12.—(1) Where a motor vehicle which is normally based outside the Island of Cyprus is involved in an accident in the Areas and a certificate as is referred to in section 6 is produced to a police officer or to a police station, the police officer or any officer on duty at such station, shall record all the particulars contained in such certificate.

(2) The Chief Constable shall, as soon as possible, furnish free of charge to the Cyprus International Insurance Bureau upon written application by such Bureau, any information of the particulars recorded by a police officer under the provisions of subsection (1) above.

(a) Ordinances 8/1783, 5/1982, 2/1983, 11/1985 and 5/1999

(b) Ordinances 8/1783, 5/1982, 2/1983, 11/1985, 5/1999 and Public Instrument No.s 65/1985, 15/1986, 13/1995, 18/1995, 35/1995, 44/1995, 54/1995, 55/1995 and 65/1995

Duty to surrender certificate on cancellation of policy

13. Where a certificate of insurance has been issued and delivered under the provisions of subsection (1) of section 5 in favour of the person by whom a policy has been effected and the policy has been cancelled by mutual consent or by virtue of any provision in the policy person in whose favour such certificate was issued shall, within forty-eight hours from the taking effect of the cancellation of such policy, surrender such certificate to the insurer or, if such certificate has been lost or destroyed, make an affidavit to that effect and any person contravening the provisions of this section shall be guilty of an offence against this Ordinance.

Duty of insurers to satisfy judgment of courts / exempted liability

14.—(1) This Section applies where, after a certificate of insurance has been delivered under section 5 of this Ordinance to the person by whom a policy has been effected, a judgment to which this subsection applies is obtained.

(2) Subsection (1) above applies to judgments relating to a liability with respect to any matter where liability with respect to that matter is required to be covered by a policy of insurance under section 4 of this Ordinance and either—

- (a) it is a liability covered by the terms of the policy or insurance to which the certificate relates, and the judgement is obtained against any person who is insured by the policy, or
- (b) it is a liability, other than an exempted liability, which would be so covered if the policy insured all persons and the judgement is obtained against any person other than one who is insured by the policy.

(3) In deciding for the purposes of subsection (2) above whether a liability is or would be covered by the terms of a policy, so much of the policy as purports to restrict the insurance of the persons insured by the policy by reference to the holding by the driver of the vehicle of a licence authorising him to drive it shall be treated as of no effect.

(4) In subsection (2)(b) above “exempted liability” means a liability in respect of any person who, at the time of the use which gave rise to the liability, was allowing himself to be carried in or upon the vehicle and knew or had reason to believe that the vehicle had been stolen or unlawfully taken, not being a person who—

- (a) did not know and had no reason to believe that the vehicle had been stolen or unlawfully taken until after the commencement of his journey, and
- (b) could not reasonably have been expected to have alighted from the vehicle.

In this subsection the reference to a person being carried in or upon a vehicle includes a reference to a person entering or getting on to, or alighting from, the vehicle. The onus is on the insurer to prove, in any case, that the liability is an exempted liability.

(5) Notwithstanding that the insurer may be entitled to avoid or cancel, or may have avoided or cancelled, the policy, he must, subject to the provisions of this section, pay to the persons entitled to the benefit of the judgement as regards liability in respect of death or bodily injury or damage to property, any sum payable under the judgement in respect of the liability, together with any sum which, by virtue of any Ordinance relating to interest on judgements, is payable in respect of interest on that sum, and any amount payable in respect of costs.

(6) The liability of the insurer under this section shall not exceed the maximum sums provided for in subsection (4) of section 4.

(7) Where an insurer becomes liable under this section to pay an amount in respect of a liability of a person who is insured by a policy, he is entitled to recover from that person—

- (a) that amount, in a case where he become liable to pay it by virtue only of subsection (3) above, or
- (b) in a case where that amount exceeds the amount for which he would, apart from the provisions of this section, be liable under the policy or insurance in respect of that liability, the excess.

(8) Where an insurer becomes liable under this section to pay an amount in respect of a liability of a person who is not insured by a policy, he is entitled to recover the amount from that person or from any person who—

- (a) is insured by the policy by the terms of which the liability would be covered if the policy insured all persons, and
- (b) caused or permitted the use of the vehicle which gave rise to the liability.

(9) In this section “liability covered by the terms of the policy insurance” means a liability which is covered by the policy or which would be so covered but for the fact that the insurer is entitled to avoid or cancel, or has avoided or cancelled, the policy.

Conditions for payment of judgment

15.—(1) No sum shall be payable by an insurer under the provisions of section 14—

- (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 written notice of the bringing of the proceedings; or
- (b) in respect of any judgement concerning damage to property, unless within six months of the date on which the cause of action arose the person entitled to the judgement—
 - (i) give notice in writing to the insurer of his intention to submit a claim; and
 - (ii) gives the insurer reasonable opportunity to inspect the said damage before any repair is effected or any replacement of accessories or spares or both takes place:

Provided that the said time limit shall not apply where the person entitled to the judgement was unable to give such notice or opportunity to the insurer by reason of any physical, mental or psychological injury suffered by him as a result of the incident giving rise to cause of action; or

- (c) in respect of any judgement, so long as execution thereon is stayed pending an appeal; or
- (d) in connection with any liability, if before the happening of the event, which was the cause of the death or bodily injury or damage to property giving rise to the liability, the policy was cancelled by mutual consent or by virtue of any provisions contained therein, and either—
 - (i) before the happening of such event the certificate of insurance was surrendered to the insurer, or the person in favour of whom the certificate of insurance was issued made an affidavit 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 in favour of whom the certificate of insurance was issued made an affidavit 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, but within a period of fourteen days from the taking effect of the cancellation of the policy, the insurer had commenced proceedings under this Ordinance in respect of the failure to surrender the certificate of insurance.

(2) 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 judgement was given as 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.

(3) In this section “material” means of such a nature as to influence the judgement of a prudent insurer in determining whether he will accept the risk, and if so, at what premium and on what conditions.

Duty of foreign insurer to satisfy judgements of courts

16.—(1) Where there is a judgement against any person with regard to any liability described in of subsection (3) of section 4 above and which arose out of or in connection with the use of a motor vehicle then, if such use was covered by any of the certificates referred to in section 6, there shall apply, *mutatis mutandis*, the provisions of sections 14 and 15.

(2) Where, under subsection (1) above, the provisions of sections 14 and 15 apply *mutatis mutandis* then, for the purposes of these sections the insurer shall be deemed to be Cyprus International Insurance Bureau.

Procedure in the event of bankruptcy of insured

17.—(1) Where under a policy issued in accordance with this Ordinance, a person (hereinafter referred to as “the insured”) is insured against liability to third parties, which he may incur, then—

- (a) in the vent of the insured becoming bankrupt or making a composition or arrangement with his creditors; or
- (b) in the vent 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 manger 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 Ordinance 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 Ordinance an order is made for the administration in bankruptcy of the estate of a deceased debtor then if any debt, which may be provided in bankruptcy, is owing by the deceased in respect of a liability against which he is insured under a policy issued for the purposes of this Ordinance as being a liability to a third party then the rights of the deceased debtor against the insurer under that policy shall, notwithstanding any thing in any Ordinance 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 Ordinance purporting directly or indirectly to avoid the policy or to alter the rights of the parties there under upon the happening of any of the vents specified in subsections (1) and (2) above shall be of no effect.

(4) Upon a transfer of rights under subsection (1) or subsection (2) above, the insurer shall, subject to the provisions of section 19 of this Ordinance, 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 Ordinance 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 Ordinance shall affect the rights of the third party against the insured in respect of the balance.
- (5) This section and sections 18 and 19 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 31 of the Workmen’s Compensation Ordinance^(a) applies.
- (6) For the purposes of this section and sections 18 and 19 the expression “liabilities to third parties” in relation to a person insured under a policy shall not include any liability of that person in the capacity of insurer under some other policy.

Duty to give information to third parties

- 18.**—(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 Ordinance 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 Ordinance or would have been so insured and give such particulars with regard to that policy as were specified in the certificate issued in his favour 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 Ordinance 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 holder of any debentures secured by a floating 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 Ordinance, and for the purpose of enforcing such rights, and any policy in so far as it purports either directly or indirectly to avoid the policy 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) above discloses reasonable grounds of belief that rights have or may have been transferred to him under the provisions of this Ordinance against any particular insurer that insurer shall be subject to the same duty as is imposed by subsection (2) on the persons therein mentioned.
- (4) The duty imposed by this section to give information shall include a duty to allow all policies, receipts for premiums and other relevant documents in the possession, 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 Ordinance.

Certain settlements between insurer and insured to be of no effect

19. Where a person who is insured under a policy issued for the purposes of this Ordinance has become bankrupt or where such insured person being a company a winding-up order has been made or a 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

(a) Cap. 188 (Laws of Cyprus)

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 such commencement shall be effective to defeat or affect the rights transferred to or vested in the third party under the provisions of this Ordinance and such rights shall be the same as if no such agreement, waiver, assignment, disposition or repayment had been made.

Bankruptcy of insured persons not to affect certain claims

20. Where under the provisions of this Ordinance a certificate of insurance has been issued in favour of the person by whom a policy has been effected and delivered thereto, 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 17, notwithstanding anything in this Ordinance contained, shall not affect any such liability of that person as is required to be covered by a policy under the provisions of this Ordinance, and nothing in this section shall affect any rights against the insurer conferred on the person to whom the liability was incurred under the provisions of sections 17, 18 and 19.

Further rights of third parties against insurers

21.—(1) No settlement made by any 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 Ordinance shall be valid unless such third party is a party to such settlement.

(2) A policy issued under the provisions of this Ordinance 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.

Limitation of actions(a)

~~22. Notwithstanding anything contained in any other Ordinance, any actions under the provisions of this Ordinance against a tortfeasor, shall be commenced within two *three*(b) years of the date of the accident.~~

Service on insurer

23.—(1) Where, by reasons of the defendant not being resident in the Island of Cyprus, service of a summons upon him is not possible with regard to any action in respect of a liability provided for in this Ordinance, service on the insurer, as ordered by the court following an application for such service, shall for the purposes of this Ordinance be deemed to be service on the defendant. In such a case the insurer shall be entitled to file an appearance and to instruct an advocate to appear on behalf of the defendant.

For the purposes of this subsection, the term “insurer” includes the Cyprus International Insurance Bureau where there is no policy in effect to cover the liability of the defendant.

(2) Any judgement made in an action where the summons was served under the provisions of this section shall not be executed against the defendant, but the plaintiff shall have as against the insurer the same rights which he would have had if the summons had been served personally on the defendant.

(3) The provisions of this section shall also apply in the case where the defendant holds a certificate referred to section 6 or has no insurance cover:

in such a case, “insurer” shall be deemed to be the Cyprus International Insurance Bureau and for the purposes of this section the term “summons” includes a third party notice, the term “defendant” includes the third party and term “plaintiff” includes a defendant who files a third party notice.

(a) Section 22 repealed by Ordinance 17/2013 – came into force on 01 July 2013

(b) Amended by Ordinance 20/2007 – came into force on 14 August 2007

PART 2

Payment for treatment of victims of road accidents

Payment with regard to treatment in hospital

24.—(1) Subject to subsection (2) below, where—

- (a) a payment, other than a payment under section 25 of this Ordinance, is made (whether or not with an admission of liability) in respect of the death of, or bodily injury to, any person arising out of the use of a motor vehicle on a road, and
- (b) the payment is made by the insurer, and
- (c) the person who has so died or been bodily injured has to the knowledge of the insurer, received treatment at a hospital, whether as an in-patient or as an out-patient, in respect of the injury so arising,

the insurer must pay the expenses reasonably incurred by the hospital in affording the treatment, after deducting from the expenses any monies actually received in payment of a specific charge for the treatment.

(2) The amount to be paid shall not exceed £1000 for each person treated as an out-patient.

(3) For the purposes of this section “expenses reasonably incurred” means—

- (a) in relation to a person who received treatment at a hospital as an in-patient, an amount for each day he is maintained in the hospital, representing the average daily cost, for each in-patient, of the maintenance of the hospital and the staff of the hospital and the maintenance and treatment of the in-patient in the hospital, and
- (b) in relation to a person who receives treatment at a hospital as an out-patient, reasonable expenses actually incurred, and for the purposes of this Ordinance “hospital” means any Republican Government hospital or any hospital of the Crown in any capacity.

Payment with regard to emergency treatment suffered in road accident

25.—(1) Subsection (2) below applies where—

- (a) medical or surgical treatment or examination is immediately required as a result of bodily injury (including fatal injury) to a person caused by, or arising out of, the use of a motor vehicle on the road, and
- (b) the treatment or examination so required (in this Ordinance referred to as “emergency treatment”) is effected by a legally qualified medical practitioner.

(2) The person who was using the vehicle at the time of the event out of which the bodily injury arose must, on a claim being made in accordance with the provisions of section 26, pay to the practitioner (or, where emergency treatment is effected by more than one practitioner, to the practitioner by whom it is first effected)—

- (a) a fee of £20 in respect of each person in whose case the emergency treatment is effected by him, and
- (b) a sum, in respect of any distance in excess of three kilometres which he must cover in order—
 - (i) to proceed from the place from which he is summoned to the place where the emergency treatment is carried out by him, and
 - (ii) to return to the first mentioned place,

equal to 25cents for every complete kilometre of that distance.

(3) Where emergency treatment is first effected in a hospital, the provisions of subsections (1) and (2) above with respect to payment of a fee shall, so far as applicable, but subject (as regards the recipient of a payment) to the provisions of section 26, have effect with the substitution of references to the hospital for references to a legally qualified medical practitioner.

(4) Liability incurred under this section by the person using a vehicle shall, where the event out of which it arose was caused by the wrongful act of another person, be treated for the purposes of any claim to recover damage by reason of that wrongful act as damage sustained by the person using the vehicle.

Supplementary provisions for payment of emergency treatment

26.—(1) A claim for a payment under section 25 may be made at the time when the emergency⁶ treatment is effected, by oral request to the person who was using the vehicle, and if not so made must be made by request in writing served on him within seven days from the day on which the emergency treatment was effected.

(2) Any such request in writing—

- (a) must be signed by the claimant or, in the case of a hospital, by an executive officer of the hospital claiming the payment,
- (b) must state the name and address of the claimant, the circumstances in which the emergency treatment was effected, and that it was first effected by the claimant or, in the case of a hospital, in the hospital, and
- (c) may be served by delivering it to the person who was using the vehicle or by sending it in a prepaid registered letter, addressed to him at his usual or last know address.

(3) A payment made under section 25 shall operate as a discharge, to the extent of the amount paid, of any liability of the person who was using the vehicle, or of any other person, to pay any sum in respect of the expenses or remuneration of the practitioner or hospital concerned of or for effecting the emergency treatment.

(4) The Chief Constable must, if so requested by a person who alleges that he is entitled to claim a payment under section 25, provide that person with any information at the disposal of the Chief Constable—

- (a) as to the identification marks of any motor vehicle which that person alleges to be a vehicle out of the use of which the bodily injury arose, and
- (b) as to the identity and address of the person who was using the vehicle at the time of the event out of which it arose.

PART 3

Miscellaneous Provisions

Power to make regulations

27.—(1) The Administration may make regulations for prescribing everything which is required to be prescribed under the provisions of this Ordinance and generally for the purpose of carrying this Ordinance into effect and in particular but with prejudice to the generality of the foregoing, may make regulations—

- (a) prescribing the forms to be used for the purposes of this Ordinance;
- (b) as to the application for and the issue of certificates of insurance or other certificates or documents which may be prescribed and as to the furnishing of particulars thereof and the giving of information with respect thereto;
- (c) as to the issue of copies of any certificates or documents which are lost, mutilated or destroyed;
- (d) as to the custody, production, cancellation and surrender of any such certificates or other documents;
- (e) for taking measure to ascertain the existence of the insurance cover required by this Ordinance;

(f) as to the information which a police officer is obliged to record in accordance with subsection (1) of section 12.

(2) Any person who contravenes any provision of the regulations made under this Ordinance shall be guilty of an offence.

Special offences and penalties

28.—(1) If any person for the purpose of obtaining a certificate of insurance under the provision of this Ordinance 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 and shall be liable to imprisonment not exceeding three years or to a fine not exceeding three thousand pounds or to both such penalties.

(2) Any person who with intent to deceive—

- (a) forges, alters, defaces or mutilates any certificate of insurance or any other certificate or document issued under this Ordinance; or
- (b) uses or allows to be used by any person and forged, altered, defaced or mutilated certificate of insurance or any other certificate or document issued under this Ordinance; or
- (c) lends to or borrows from any other person a certificate of insurance or any other certificate or document issued under the provisions of this Ordinance; or
- (d) makes or has in his possession any document so closely resembling any certificate or document issued under the provisions of this Ordinance as to be calculated to deceive; or
- (e) issues any certificate of insurance or other certificate or document to be issued under the provisions of this Ordinance,

shall be guilty of an offence and shall be liable to imprisonment not exceeding three years or to a fine not exceeding three thousand pounds or to both such penalties.

(3) If any police officer has reasonable cause to believe that any certificate of insurance or any other certificate or document produced to him in pursuance of this Ordinance by the driver or owner of a motor vehicles 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 charge with an offence under the provisions of this section, be summoned before the court to account for the possession of or the presence on the motor vehicle of the said document and the court may make order respecting the disposal of the document and award such costs as the court may deem just.

General penalty

29. Any person who is guilty of an offence against this Ordinance for which no special penalty is provided shall be liable in respect of a first conviction, to imprisonment not exceeding six months or to a fine not exceeding five hundred pounds or to both such penalties and in the case of a second or subsequent conviction to imprisonment not exceeding one year or to a fine not exceeding one thousand pounds or to both such penalties.

Repeal

30.—(1) The Motor Vehicles (Third Party Insurance) Ordinance^(a) is hereby repealed without prejudice to anything done or left undone thereunder.

(2) Any policy, certificate of insurance or other document issued under the provisions of the Ordinance hereby repealed, shall continue in force until its replacement or expiration and in such

(a) Cap. 333 (Laws of Cyprus) 5/1966, 15/1987, 8/1988, 18/1989, 5/1993, 1/1995 and 3/1999

case the content of such policy, certificate of insurance or other document shall be deemed to satisfy fully the requirements of this Ordinance, to the extent that it does not contravene it.