

A BILL

FOR

AN ACT TO AMEND THE MOTOR VEHICLES THIRD PARTY INSURANCE 2004
TO FACILITATE THE ACCOMPLISHMENT OF OBJECTIVES OF COMPULSORY
THIRD PARTY INSURANCE AND FOR RELATED MATTERS 2016

Sponsored by Senator Umaru Ibrahim Kurfi

[] Commencement

ENACTED by the National Assembly of the Federal Republic of
Nigeria as follows:

- 1 1. The Motor Vehicle (Third Party Insurance) Act (in this Bill Amendment of
2 referred to as "the Principal Act") is amended as set out in this Bill. the Principal Act
- 3 2. Section 3 of the principal Act is amended in subsection (2) by Amendment of
4 substituting for the existing section 3(2) a new section 3(2): Section 3
- 5 "any person acting in contravention of this section shall be liable
6 on conviction to a fine of One Hundred Thousand Naira (100,000.00) or to
7 imprisonment for a term not exceeding one year or to both such fine and
8 imprisonment and a person convicted of an offence under this section shall
9 be disqualified for holding or obtaining a driving licence."
- 10 3. Section 5 of the Principal Act is amended by substituting for the Amendment of
11 existing section 5 a new section "5": Section 5
- 12 "(5)" For the purposes of accomplishing the objectives of the
13 compulsory Third Party Insurance cover, Government should set up a fund
14 by taxing motor under-writers which fund shall be used to settle victims of
15 accident where such cannot obtain insurance compensation or where:
- 16 (a) An insurance company becomes insolvent or goes into
17 liquidation before judgment was obtained;
- 18 (b) The accident was caused by an uninsured driver/vehicle;
- 19 (c) The accident was caused by a "hit and run" driver who cannot be
20 traced; and

1 (d) There is anticipated delay in the judicial process which often
2 discourages victims of accidents from seeking compensation.

3 (2) The Third Party Insurance premium is increased from N5,000.00
4 to N20,000 to ensure effective settlement of claims.

5 (3) All Government vehicles shall be insured against third party risks.

Citation

6 4. This Bill is cited as the Motor Vehicles Third Party Insurance Act
7 (Amendment) Bill, 2016.

EXPLANATORY MEMORANDUM

This Bill seeks to amend the Act to ensure the accomplishment of objectives of the compulsory third party insurance cover.