

LAWS OF BRUNEI

CHAPTER 90 MOTOR VEHICLES INSURANCE (THIRD PARTY RISKS)

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LAWS OF BRUNEI
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CHAPTER 90
MOTOR VEHICLES INSURANCE
(THIRD PARTY RISKS)

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MOTOR VEHICLES INSURANCE (THIRD PARTY RISKS) ACT

An Act to make provision for the protection of third parties against risks arising out of the use of motor vehicles

Commencement: 28th February 1950

Citation.

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

Interpretation.

2. In this Act, unless the context otherwise requires —

“Authority” means the Autoriti Monetari Brunei Darussalam established by the Autoriti Monetari Brunei Darussalam Order, 2010 (S 103/2010);

[S 103/2010]

“Commissioner of Police” has the same meaning as in the Royal Brunei Police Force Act (Chapter 50);

“company” includes any company incorporated within or outside Brunei Darussalam and any firm or partnership;

“motor vehicle” means a mechanically propelled vehicle intended or adapted for use on roads, but does not include an invalid carriage;

“owner”, in relation to a vehicle which is subject to a hiring agreement or hire purchase agreement, means the persons in possession of the vehicle under the agreement;

“police constable” means any member of the Police Force constituted under the Royal Brunei Police Force Act (Chapter 50), but does not include a special police officer or an additional police officer;

“policy of insurance” includes a covering note;

“road” means any highway and any other road to which the public has access, and includes bridges over which a road passes.

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

3. (1) Subject to the provisions of this Act, it shall not be lawful for any person to use on a road, or to cause or permit any other person to use on a road, a motor vehicle unless there is in force in relation to the user of the motor vehicle by that person or that 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 requirements of this Act.

(2) If a person acts in contravention of this section, he is guilty of an offence and liable on conviction to a fine of \$10,000 and imprisonment for 12 months, and a person convicted of an offence under this section shall, unless the court for special reasons thinks fit to order otherwise and without prejudice to the power of the court to order a longer period of disqualification, be disqualified from holding or obtaining a driving licence under the Road Traffic Act (Chapter 68), for a period of 12 months from the date of the conviction.

[S 28/1998]

(3) For the purposes of the Road Traffic Act (Chapter 68) —

(a) a person convicted under this section is deemed to be convicted of an offence in connection with the driving of a motor vehicle; and

(b) a person disqualified by virtue of a conviction under this section or of an order made thereunder from holding or obtaining a driving licence is deemed to be disqualified by virtue of a conviction or order under that Act.

(4) Notwithstanding any written law prescribing a time within which proceedings may be brought before a court, proceedings for an offence under this section may be brought —

(a) within a period of 6 months from the date of the commission of the alleged offence; or

(b) within a period which exceeds neither 3 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) This section does not apply to —

(a) a vehicle owned by the Government upon any occasion upon which such vehicle is being used by a person authorised by the Government to use the vehicle on such occasion;

(b) a vehicle owned by a person who has deposited and keeps deposited with the State Financial Officer such sum as the Authority may direct, at any time when the vehicle is being driven by the owner or by a servant of the owner in the course of his employment or is otherwise subject to the control of the owner; or

[S 103/2010]

(c) any vehicle at any time when it is being driven for police purposes by or under the direction of a police constable or by a person employed by the Commissioner of Police.

Requirements in respect of policies.

4. (1) In order to comply with the requirements of this Act, a policy of insurance must be a policy which —

[S 48/2005]

(a) is issued by an insurer approved by the Authority but, if the insurer does not reside within Brunei Darussalam no such approval shall be given unless the Authority is satisfied that the insurer has complied with the provisions of section 18(1) and (2);

[S 103/2010]

(b) insures such person, 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 caused by or arising out of the use of the motor vehicle on a road:

Provided that such a 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;
- (ii) except in the case of a motor vehicle in which passengers are carried for hire or reward or 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, the 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 this Act;
- (b) the owner of a motor vehicle in relation to the user of which a security under section 5 is in force; or
- (c) the owner of a motor vehicle who has made a deposit under section 3,

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

Provided that the amount to be paid by the approved insurer or such owner shall not exceed \$1,500 for each person so treated as an in-patient or \$150 for each person so treated as an out-patient.

For the purposes of this subsection —

“hospital” means an institution (not being an institution carried on for profit) which provides medical or surgical treatment for in-patients;

“expenses reasonably incurred” means —

(a) in relation to a person who receives treatment at a hospital as an in-patient, the amount chargeable to a member of the general public, in a ward of the class occupied by the person who received treatment, in accordance with the scale of fees normally charged by the hospital; and

(b) in relation to a person who receives treatment at a hospital as an out-patient, reasonable expenses actually incurred.

(3) Notwithstanding the provisions of any written law to the contrary, a person issuing a policy of insurance under this 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.

(4) A policy shall be of no effect for the purposes of this Act unless and until there is issued by the insurer to the person by whom the policy is effected a certificate (referred to in this Act 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 any other matters as may be prescribed, and different forms and different particulars may be prescribed in relation to different cases or circumstances.

Requirements in respect of securities.

5. (1) In order to comply with the requirements of this Act, a security must —

(a) be given either by an insurer approved by the Authority or by some body of persons approved by the Authority which carries on the business of giving securities of a like kind but, if the insurer or such

body of persons do not reside within Brunei Darussalam, no such approval shall be given unless the Authority is satisfied that the insurer or such body of persons has complied with the provisions of section 18(1) and (2); and

[S 103/2010]

(b) consist of an undertaking by the giver of the security to make good subject to any conditions specified therein and up to the amount in the case of an undertaking relating to the use of motor vehicles in which passengers are carried for hire or reward of not less than \$225,000 and in any other case of not less than \$45,000 and any failure by the owner of the vehicle or such other persons or classes of persons as may be specified in the security duly to discharge any such liability as is required to be covered by a policy of insurance under section 4 which may be incurred by him or them.

(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 (referred to in this Act 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 any other matters as may be prescribed, and different forms and different particulars may be prescribed in relation to different cases or circumstances.

Certain conditions to policies or securities to be of no effect.

6. 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 mentioned in section 4(1)(b):

Provided that nothing in this section shall be taken 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 latter may have become liable to pay under the policy or security and which have been applied to the satisfaction of the claims of third parties.

Avoidance of restrictions on scope of policies covering third party risks.

7. Where a certificate of insurance has been issued under section 4(4) to the person by whom a policy has been effected, so much of the policy as purports to restrict the insurance of the persons insured thereby by reference to any of the following matters —

(a) the age or physical or mental condition of persons driving the vehicle;

[S 48/2008]

(b) the condition of the vehicle;

[S 48/2008]

(c) the number of persons that the vehicle carries;

(d) the weight or physical characteristics of the goods that the vehicle carries;

(e) the times at which, or the areas within which, the vehicle is used;

(f) the horse-power or value of the vehicle;

(g) the carrying on the vehicle of any particular apparatus; or

(h) the carrying on the vehicle of any particular means of identification other than any means of identification required to be carried by or under any written law relating to motor vehicles,

shall as respects such liabilities as are required to be covered by a policy under section 4(1)(b) 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 any 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.

Applicants for motor vehicle furnish licences to evidence of insurance.

8. Every person, when applying for a driving licence under the Road Traffic Act (Chapter 68) to authorise him to drive a motor vehicle, shall furnish to the Licensing Officer to whom the application is being made such evidence as may be prescribed that either —

(a) on the date when the licence comes into operation there will be in force the policy of insurance or the security required by this Act in relation to the use of the motor vehicle by the applicant or by other persons on his order or with his permission; or

(b) the motor vehicle is a vehicle to which section 3 does not apply at any time when it is being driven by the owner thereof or by a servant of his in the course of his employment or is otherwise subject to the control of the owner.

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

9. (1) If after a certificate of insurance has been issued under section 4(4) 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 under section 4(1)(b) (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 the judgment any sum payable thereunder in respect of the liability, including any amount payable in respect of costs and any sum payable in respect of interest on that sum by virtue of any written law relating to interest on judgments.

(2) No sum shall be payable by an insurer under the foregoing provisions —

(a) in respect of any judgment, unless before or within 7 days after the commencement of the proceedings in which the judgment was given the insurer had notice of the bringing of the proceedings;

(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 the event, the certificate was surrendered to the insurer or the person to whom the certificate was issued made a statutory declaration stating that the certificate had been lost or destroyed;
- (ii) after the happening of the event but before the expiration of a period of 14 days from the taking effect of the cancellation of the policy, the certificate was surrendered to the insurer, or the person to whom the certificate was issued made such a statutory declaration as mentioned in sub-paragraph (i); or
- (iii) either before or after the happening of the event but within the said period of 14 days, the insurer has commenced proceedings under this Act in respect of the failure to surrender the certificate.

(3) No sum shall be payable by an insurer under the foregoing provisions if in an action, commenced before or within 3 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 some material particular or, if he has avoided the policy on that ground, that he was entitled to do so apart from any provisions contained in it:

Provided that an insurer who has obtained such a declaration as aforesaid in an action shall not thereby become entitled to the benefit of this subsection as respects any judgment obtained in proceedings commenced before the commencement of that action unless, before or within 7 days after the commencement of that action, he has given notice thereof to the person who is the plaintiff in that proceedings specifying the non-disclosure or false representation on which he proposes to rely, and any person to whom notice of such an action is so given shall be entitled if he thinks fit to be made a party thereto.

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

(5) In this section —

“material” means of such a nature as to influence the judgment of a prudent insurer in determining whether he will take the risk and, if so, at what premium and on what conditions;

“liability covered by the terms of the policy” 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.

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

Rights of third parties against insurers.

10. (1) Where under any policy issued for the purposes of this Act, a person (hereinafter called “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 case of the insured being a company, in the event of a winding-up order being made or a resolution for a voluntary winding-up being passed with respect of the 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,

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

(2) Where an order is made under any law for the time being in force relating to bankruptcy for the administration in bankruptcy of the estate of a deceased debtor, then, if any debt provable 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, the deceased debtor's rights against the insurer under the policy in respect of that liability shall, notwithstanding the provisions of any written law to the contrary, 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 party thereunder upon the happening to the insured of any of the events specified in subsection (1)(a) or (b) or upon the making of an order under any law for the time being in force relating to bankruptcy for the administration in bankruptcy of his estate, shall be of no effect.

(4) Upon a transfer under subsection (1) or (2), the insurer shall, subject to the provisions of section 12, be under the same liability to the third party as he would have been under to the insured but if the liability of the insurer to the insured —

(a) exceeds the liability of the insured to the third party, nothing in this Act shall affect the rights of the insured against the insurer in respect of the excess;

(b) 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) For the purposes of this section and of sections 11 and 12, "liabilities to third parties", in relation to a person insured under any policy of insurance, does not include any liability of that person in the capacity of insurer under some other policy of insurance.

(6) This section and sections 11 and 12 do 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 in which, under any written law making provision for the payment of compensation to workmen for injuries suffered in the course of their employment, the rights of an employer against an insurer in respect of liability for such compensation are transferred to and vested in the third party.

Duty to give necessary information to third parties.

11. (1) Any person, against whom a claim is made in respect of any such liability as is required to be covered by a policy under section 4(1)(b), shall, on demand by or on behalf of the person making the 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 avoided or cancelled the policy, and if he was or would have been so insured, give such particulars with respect to that policy as were specified in the certificate of insurance delivered in respect thereof under section 4(4).

(2) In the event of —

(a) any person becoming bankrupt or making a composition or arrangement with his creditors;

(b) an order being made under any law for the time being in force relating to bankruptcy for the administration in bankruptcy in respect of the estate of any person; or

(c) 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 or company and, as the case may be, of the officer having jurisdiction under any law for the time being in force relating to bankruptcy,

trustee, liquidator, receiver or manager or person in possession of the property to give, at the request of any person claiming that the bankrupt debtor, deceased debtor or company is under a liability to him, such information as may reasonably be required by him for the purpose of ascertaining whether any rights have been transferred to and vested in him by this Act and for the purpose of enforcing such rights if any, and any contract of insurance, in so far as it purports whether directly or indirectly to avoid the contract or to alter the rights of the parties thereunder upon the giving of any such information in the events aforesaid or otherwise to prohibit or prevent the giving thereof in the said events, shall be of no effect.

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

(4) The duty to give information imposed by this section shall include a duty to allow all contracts of insurance receipts for premiums and other relevant documents in the possession or power of the person on whom the duty is so imposed to be inspected and copies thereof to be taken.

(5) If, without reasonable excuse, any person fails to comply with the provisions of this section or wilfully makes any false or misleading statement in reply to any such demand, he is guilty of an offence.

Settlement between insurers and insured persons.

12. Where a person who is insured under a policy issued for the purposes of this Act has become bankrupt, or where in the case of 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 the 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 winding-up, as the case may be, nor any waiver assignment or other disposition made by or payment made to the insured after the commencement, shall be effective to defeat or affect the rights transferred to the third party under this Act, but those rights shall be the same as if no such agreement, waiver, assignment, disposition or payment had been made.

Bankruptcy, insured persons not to affect certain claims by third parties.

13. Where a certificate of insurance has been issued under section 4(4) to the person by whom a policy has been effected, the happening in relation to any person insured by the policy of any such event as is mentioned in section 10(1) or (2) shall, notwithstanding anything in this Act, not affect any such liability of that person as is required to be covered by a policy under section (4)(1)(b), but nothing in this section shall affect any rights against the insurer conferred under sections 10, 11 and 12 on the person to whom the liability was incurred.

Further rights of third parties against insurers.

14. (1) No settlement by an insurer, in respect of any claim which might be made by a third party in respect of any such liability as is required to be covered by a policy under section 4(1)(b), shall be valid unless such third party is a party to such settlement.

[S 48/2005]

(2) A policy issued under this Act shall remain in force and available for third parties notwithstanding the death of any person insured under section 4(1)(b) as if the insured person was still alive.

Duty to surrender certificate on cancellation of policy.

15. Where a certificate of insurance has been issued under section 4(4) 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 the certificate was issued shall, within 7 days from the taking effect of the cancellation, surrender the certificate to the insurer or, if it has been lost or destroyed, make a statutory declaration to that effect, and if he fails to do so he is guilty of an offence.

Requirements as to production of certificate of insurance or security.

16. (1) Any person driving a motor vehicle on a road shall, on being so required by a police constable, give his name and address of the owner of the motor vehicle and produce his certificate, and if he fails so to do he is guilty of an offence:

Provided that if the driver of a motor vehicle within 5 days after the date on which the production of his certificate was so required, produces the certificate in person at such police station as may have been specified by the

driver 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 his certificate to the police officer.

(2) If, in any case where owing to the presence of a motor vehicle on a road, an accident occurs involving personal injury to another person, the driver of the vehicle does not at the time produce his certificate to a police constable or to some other person who having reasonable grounds for so doing has required its production, the driver shall, as soon as possible and in any case within 24 hours of the occurrence of the accident, report the accident at a police station and thereupon produce his certificate, and if he fails to do so he is guilty of an offence:

Provided that a person shall not be convicted of an offence under this subsection by reason only of failure to produce his certificate if, within 5 days after the occurrence of the accident, he produces the certificate in person at such police station as may be specified by him at the time the accident was reported.

(3) It shall be the duty of the owner of a motor vehicle to give such information as he may be required by or on behalf of the Commissioner of Police to give for the purpose of determining whether the motor vehicle was or was not being driven in contravention of section 3 on any occasion when the driver was required under this section to produce his certificate, and if the owner fails to do so he is guilty of an offence.

(4) In this section, “produce his certificate” means produce for examination the relevant certificate of insurance or certificate of security or such other evidence that the motor vehicle is not or was not being driven in contravention of section 3 as may be prescribed.

Deposits.

17. If any sum is deposited by any person under section 3 or as a condition of approval by the Authority under section 4 or 5, no part of such sum shall, so long as any liabilities being such liabilities as are required to be covered by a policy of insurance under this Act which have been incurred by him have not been discharged or otherwise provided for, be applicable in discharge of any other liabilities incurred by him.

[S 103/2010]

Agents.

18. (1) An insurer or body of persons proposing to issue policies of insurance or to give securities for the purposes of this Act shall, unless incorporated in or residing within Brunei Darussalam, appoint one or more persons residing within Brunei Darussalam to act as agent for such insurer or body of persons and to accept on behalf of such insurer or body of persons service of process and of any notices required to be served or given.

(2) Such insurer or body of persons shall file with the Authority the names and addresses of the person or persons appointed under subsection (1) and shall, in the event of such person or persons ceasing to reside within Brunei Darussalam or to be so appointed, within 7 days of such event, file with the Authority the names and addresses of one or more other such persons.

[S 103/2010]

(3) Any process or notice required to be served or given to such insurer or body of persons shall be sufficiently served or given if addressed to any person whose name has been filed and left at or sent by post to the address which has been so filed.

(4) For the purposes of sections 4(4), 5(2), 9(2), 11(3) and 15, “insurer” includes a person appointed under subsection (1).

(5) Nothing in this section shall relieve any company from any obligation to register under any written law for the time being in force relating to companies.

Offences in respect of certificate of insurance.

19. Any person who —

(a) for the purpose of obtaining the issue of a certificate of insurance or of a certificate of security, makes any statement which is false or misleading or withholds any material information unless he establishes to the satisfaction of the court that he acted without any intent to deceive;

(b) forges, alters, defaces or mutilates any certificate of insurance or certificate of security;

(c) lends to or allows to be used by another person any certificate of insurance or certificate of security which such person is not entitled to use;

(d) makes or has in his possession any certificate of insurance or certificate of security which is calculated to deceive unless he establishes to the satisfaction of the court that he acted without intent to deceive; or

(e) issues a certificate of insurance or certificate of security which is to his knowledge false in any material particular,

is guilty of an offence and liable on conviction to a fine of \$8,000 and imprisonment for 3 years.

General penalty.

20. Any person guilty of an offence against this Act for which no special penalty is provided is liable, in the case of a first offence to a fine of \$2,000 and in the case of a second or subsequent offence to a fine of \$4,000 and imprisonment for 6 months.

Officers of companies.

21. If any person guilty of an offence against this Act is a company, any officer or servant in Brunei Darussalam of the company who is privy to the offence is guilty of a like offence and liable to the punishment provided in this Act for such offence.

Jurisdiction of courts.

22. Notwithstanding anything contained in the Criminal Procedure Code (Chapter 7), the Court of a Magistrate shall have jurisdiction to try any offence against the provisions of this Act or any rule made thereunder and may pass any sentence provided by this Act for any such offence.

Power to make rules.

23. The Authority may make rules for prescribing anything which may be prescribed under this Act and generally for the purpose of carrying this Act into effect, and in particular, but without prejudice to the generality of the foregoing provisions, may make rules —

[S 103/2010]

- (a) to prescribe the forms to be used;
- (b) 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 documents and the furnishing of particulars thereof or the giving of information with respect thereto;
- (c) as to the issues of copies of any such certificates or other documents which are lost or destroyed;
- (d) as to the custody, production, cancellation and surrender of any such certificates or other documents;
- (e) for providing that any provisions of this Act shall, in relation to motor vehicles brought into Brunei Darussalam by persons making only a temporary stay in Brunei Darussalam, have effect subject to such modifications and adaptations as may be prescribed;
- (f) to prescribe the penalty not exceeding a fine of \$4,000 and imprisonment for 6 months with which the contravention of any rule made under this section be punishable;
- (g) with respect to the payment of deposits under this Act and the investment thereof or dealing therewith, 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 are for the time being invested and the withdrawals and transfers of deposits.

Application of Act to securities.

24. The provisions of this Act apply in relation to securities having effect for the purposes of this Act as they apply in relation to policies of insurance, and in relation to any such security, references in the provisions to being insured to a certificate of insurance, to an insurer and to persons insured shall be construed respectively as references to the having in force of the security, to the certificate of security, to the giver of the security and to the persons whose liability is covered by the security.

Power to exempt.

25. The Authority may by public notification either generally or for such period and subject to such conditions as may be specified in such notification exempt from any provision of this Act or any rules made thereunder any person or class or description of persons or any motor vehicles or class or description of motor vehicles.

[S 103/2010]

SUBSIDIARY LEGISLATION

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Rules

R 1	Motor Vehicles Insurance (Third Party Risks) Rules	B.R.O.N. 33/1950
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**MOTOR VEHICLES INSURANCE
(THIRD PARTY RISKS) ACT
(CHAPTER 90)**

**MOTOR VEHICLES INSURANCE
(THIRD PARTY RISKS) RULES**

British Resident's Office Notification 33/1950

REVISED EDITION 2014

SUBSIDIARY LEGISLATION

**MOTOR VEHICLES INSURANCE
(THIRD PARTY RISKS) RULES**

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SUBSIDIARY LEGISLATION

Rules made under section 23

MOTOR VEHICLES INSURANCE (THIRD PARTY RISKS) RULES

Commencement: 1st May 1950

Citation.

1. These Rules may be cited as the Motor Vehicles Insurance (Third Party Risks) Rules.

Interpretation.

2. In these Rules, unless the context otherwise requires, —

“Act” means the Motor Vehicles Insurance (Third Party Risks) Act;

“company” means an insurer approved by the Authority under the Act or a body of persons by whom a security may be given in pursuance of the Act;

“Licensing Officer” means a Licensing Officer appointed under the Road Traffic Act (Chapter 68);

“policy” means such policy of insurance in respect of third party risks arising out of the use of motor vehicles as complies with the requirements 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 requirements of the Act.

Certificates of insurance and certificates of security.

3. (1) A company shall issue to every holder of a policy, other than a covering note, or of a security issued by the company —

(a) in the case of a policy or security relating to a specified motor vehicle or to specified motor vehicles a certificate of insurance in Form 1 or a certificate of security in Form 4 set out in the Schedule in respect of each such motor vehicle;

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(b) in the case of a policy or security not relating to any specified motor vehicle or motor vehicles such number of certificates in Form 2 or Form 4 set out in the Schedule as may be necessary to enable the requirements of section 16(1) and of these Rules as to the production of evidence that a motor vehicle is not being driven in contravention of section 3 to be complied with.

(2) Every policy in the form of a covering note issued by a company shall have printed thereon or on the back thereof a certificate of insurance in Form 3 set out in the Schedule.

Certificate of insurance to be authenticated.

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

(2) The certificates shall be issued not later than 4 days after the date on which the policy or security is issued or renewed.

Issue of further certificate.

5. 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 section 3, the company by whom the policy or security was issued may and shall on demand being made to them by the holder, issue to him a further certificate of insurance in Form 1 or Form 2 set out in the Schedule or a further certificate of security, as the case may be.

Alternative to certificate of insurance.

6. The following evidence that a motor vehicle is not being driven in contravention of section 3 may be produced by the driver of such motor vehicle on the request of a police officer in pursuance of section 16(1) as an alternative to the production of a certificate of insurance or a certificate of security —

(a) in the case of a motor vehicle owned by the Government, a certificate in Form 5 set out in the Schedule signed by a duly authorised officer of the department in whose possession or use such vehicle may be;

(b) in the case of a motor vehicle of which the owner has for the time being deposited with the State Financial Officer the sum directed by the Authority in accordance with the provisions of section 3(5)(b), a certificate in Form 6 set out in the Schedule signed by the owner of the motor vehicle or by some person authorised by him in that behalf.

(c) in the case of motor vehicles exempted from the provisions of section 3 by the Authority under section 25, a certificate in Form 7 set out in the Schedule signed by the State Secretary.

Certificate to be destroyed.

7. Any certificate issued in accordance with rule 6 shall be destroyed by the person by whom it was issued before the motor vehicle to which it relates is sold or otherwise disposed of.

Nature of certificate.

8. (1) Every certificate issued in pursuance of the Act and of these Rules shall be printed and completed in black on white paper or similar material.

(2) No certificate so issued shall contain any advertising matter either on the face or on the back thereof:

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

Production of certificate.

9. Any person applying for a licence for a motor vehicle under the Road Traffic Act (Chapter 68), shall produce to the Licensing Officer a certificate of insurance or a certificate of security indicating that on the date when the licence comes into operation there will be in force a policy or security in relation to the user of the motor vehicle by the applicant or by other persons on his order or with his permission:

Provided that in the case of a motor vehicle to which section 3 does not apply, *in lieu* of a certificate of insurance or a certificate of security, there may be produced a duly signed certificate in the appropriate form set out in the Schedule:

Provided further that a person engaged in the business of letting motor vehicles on hire shall not, when applying for a licence under the Road Traffic Act, be required to comply with this rule if the motor vehicle in respect of which registration is applied for is intended to be used solely for the purpose of being let on hire and driven by the person by whom the motor vehicle is hired or by persons under his control.

Records.

10. (1) Every company by whom a policy or security is issued shall keep in Brunei Darussalam a record of the following particulars relative thereto and of the certificates issued in connection therewith —

(a) full name and address of the person to whom the policy, security or certificate is issued;

(b) in the case of a policy relating to a specified motor vehicle or to specified motor vehicles, the index mark and registration number of each such motor vehicles;

(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 or persons specified in the policy will be indemnified;

(e) in the case of a security, the conditions subject to which the undertaking given by the company under the security will be implemented.

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

(3) Any person who has deposited and keeps deposited with the State Financial Officer the sum directed by the Authority in pursuance of section 3(5)(b) shall keep in Brunei Darussalam a record of the motor vehicles owned by him and of any certificates issued by him under these Rules in respect of such motor vehicles and of the withdrawal or destruction of any such certificates.

(4) Any person or company by whom records of documents are required to be kept by these Rules shall, without charge, furnish to the Licensing Officer or to any gazetted police officer on request any particulars thereof.

Notification that policy or security ceases to be effective.

11. Where to the knowledge of a company a policy or security issued by them ceases to be effective without the consent of the person to whom it was issued otherwise than by effluxion of time or by reasons of his death, the company shall forthwith notify the Licensing Officer of the date on which the policy or security ceased to be effective.

Return of certificates.

12. Where with the consent of the person to whom it was issued, a policy or security is transferred or suspended or ceases to be effective otherwise than by effluxion of time, such person shall forthwith return any relative certificates to the company by whom they were issued and a new policy or security shall not be issued to that person, nor shall the policy or security be transferred to any other person unless and until the certificates have been returned to the company or the company are satisfied that they have been lost or destroyed.

Issue of fresh certificates.

13. Where any company by whom a certificate of insurance or a certificate of security has been issued are satisfied that the certificate has become defaced or has been lost or destroyed they shall, if requested so to do by the person to whom the certificate was issued, issue to him a fresh certificate.

Statutory declarations.

14. Every statutory declaration made for the purposes of section 9(2)(c) or of section 15 shall be delivered to the insurer in like manner as though it were a certificate.

Penalty.

15. Any person who acts in contravention of or fails to comply with any of the requirements of rule 3, 7, 8, 10, 11 or 12 is guilty of an offence and liable on conviction to a fine of \$1,000.

LAWS OF BRUNEI

Motor Vehicle Insurance

(Third Party Risks)

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[Subsidiary]

SCHEDULE

FORMS

FORM 1

(rules 3(1)(a) and 5)

Motor Vehicles Insurance (Third Party Risks) Rules

Certificate of Insurance

Certificate No.

Policy No.
(Optional)

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. 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 Insurance (Third Party Risks) Act (Chapter 90).

.....
Approved Insurers

* Limitations rendered inoperative by section 7 of the Motor Vehicle Insurance (Third Party Risks) Act are not to be included under this heading.

SCHEDULE — *(continued)*

FORM 2

(rules 3(1)(b) and 5)

Motor Vehicles Insurance (Third Party Risks) Rules

Certificate of Insurance

Certificate No.

Policy No.
(Optional)

1. Description of Vehicles.
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. Limitations as to use.*

$\frac{I}{We}$ hereby certify that the policy to which this Certificate relates is issued in accordance with the provisions of the Motor Vehicles Insurance (Third Party Risks) Act (Chapter 90).

.....
Approved Insurers

* Limitations rendered inoperative by section 7 of the Motor Vehicle Insurance (Third Party Risks) Act are not to be included under this heading.

LAWS OF BRUNEI

Motor Vehicle Insurance
(Third Party Risks)

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[Subsidiary]

SCHEDULE — *(continued)*

FORM 3

(rule 3(2))

Motor Vehicles Insurance (Third Party Risks) Rules

Certificate of Insurance

$\frac{I}{We}$ hereby certify that this covering note is issued in accordance with the provisions of the Motor Vehicles Insurance (Third Party Risks) Act (Chapter 90).

.....
Approved Insurers

SCHEDULE — *(continued)*

FORM 4

(rule 3(1)(a) and (b))

Motor Vehicles Insurance (Third Party Risks) Rules

Certificate of Security

Certificate No.

Policy No.
(Optional)

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 of which security is subject.*

$\frac{I}{We}$ hereby certify that the security to which this Certificate relates is issued in accordance with the provisions of the Motor Vehicle Insurance (Third Party Risks) Act (Chapter 90).

.....
*Authorised under the
Motor Vehicles Insurance
(Third Party Risks) Act
(Chapter 90) to issue securities*

* Conditions rendered inoperative by section 7 of the Motor Vehicles Insurance (Third Party Risks) Act are not to be included under this heading.

LAWS OF BRUNEI

*Motor Vehicle Insurance
(Third Party Risks)*

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SCHEDULE — *(continued)*

FORM 5

(rule 6(a))

Motor Vehicles Insurance (Third Party Risks) Rules

Certificate of Ownership by the Government

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

Signature

Rank and Department

Date, 20

SCHEDULE — *(continued)*

FORM 6

(rule 6(b))

Motor Vehicles Insurance (Third Party Risks) Rules

Certificate of Deposit

$\frac{I}{We}$ hereby certify that $\frac{I\ am}{we\ are}$ the $\frac{owner}{owners}$ of the vehicle of which the registration mark and number are

and that in pursuance of the provisions of section 3(6) of the Motor Vehicles Insurance (Third Party Risks) Act (Chapter 90) —

have deposited with the State Financial Officer the sum

of

Signed

on behalf of

Date, 20

LAWS OF BRUNEI

*Motor Vehicle Insurance
(Third Party Risks)*

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[Subsidiary]

SCHEDULE — *(continued)*

FORM 7

(rule 6(c))

Motor Vehicles Insurance (Third Party Risks) Rules

Certificate of exemption from the provisions of section 3 of the
Motor Vehicles Insurance (Third Party Risks) Act (Chapter 90)

I hereby certify that the vehicle, owned by
..... of, of which the
registration mark and number are, has been
exempted from the provisions of section 3 of the Motor Vehicle Insurance (Third Party
Risks) Act (Chapter 90).

Signature
State Secretary

Date, 20