

Advice and Information

Insurance

Motor Vehicles

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Introduction

Under the Road Traffic Act 1988, it is an offence not to be covered by third party insurance for the use of a motor vehicle on public roads or any other public place. Third party provides insurance for liabilities to passengers getting onto, riding in and getting out of a vehicle, as well as other road users and pedestrians.

Legislation

The Road Traffic Act 1988 Part VI sets out general duties on the operators of motor vehicles to ensure that the drivers must not use a motor vehicle on a road unless there is a policy of insurance in respect of third party risks as complies with the requirements.

This legislation also states that a person who makes a false statement or withholds any material information for the purpose of obtaining the issue a certificate of insurance is guilty of an offence.

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Certificate of Insurance

A certificate of insurance is required in order to pay for the excise duty for the vehicle. It must also be produced within seven days on the request of a police officer. The details of the insurance policy held should be given to another driver if the vehicle is involved in an accident as soon as possible after the event.

The CTA recommends that comprehensive insurance should be taken out to maximise continuity of service whatever the circumstances. Insurance for minibus from specialist insurers has become more expensive in recent years, but discounts can be available for those with rigorous safety and training programmes, such as the CTA's MiDAS training. The CTA can also advise on the need for other essential insurances, such as Public Liability and Employer's Liability. For more guidance see the CTA advice leaflet: [Insurance - Organisational](#).

Ensuring the correct cover

It is important that minibus operators give their broker or insurance company all the details of how the vehicle is to be used and who is going to drive it. If the vehicle is going to be used for hire or reward under a minibus permit, this should be made explicit. If the vehicle is also going to be used privately (perhaps by an employee or volunteer), this should also be cleared with the broker or insurance company in writing.

Particular care should be taken if the vehicle will be used by more than one organisation holding a permit as part of a minibus sharing or 'brokerage' arrangement. As well as ensuring that it is clear who the operator is, arrangements should be cleared with the insurers as regards driver assessment and training, points on license, safety procedures and operational control.

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Unauthorised use of the minibus

An insurance policy will only cover use of the vehicle authorised by the operator. Driving a minibus without the permission of the operator, or for purposes which are outside those acceptable under the permit, or which are outside the objectives of the organisation, has severe consequences. On the one hand, the permit will cease to be valid, and so the driver and, where applicable, the operator, will be liable for prosecution for unlicensed PSV operation. On the other hand, the insurance will no longer apply, and so the individual driver may be prosecuted for driving a vehicle without insurance.

Insurance requirements for drivers

In addition to driver licensing requirements, there may be other limitations set by the insurer, especially in terms of minimum driving experience, an upper or lower age limit, certain medical conditions and drivers who have received certain endorsements.

Third-Party Liabilities

Drivers who fail to declare endorsements, accidents, medical problems, or other material information, when they are applying to drive a minibus are, in effect, making a false declaration for the purpose of obtaining insurance, and are liable to be prosecuted.

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About the Community Transport Association

The Community Transport Association is a national charity that represents and supports providers of community transport: thousands of other local charities and community groups across the UK that all provide transport services that fulfil a social purpose and community benefit. We are for, and about, accessible and inclusive transport.

We help our members remain relevant and responsive to key areas of public policy and to make a big difference for the people and families in the communities in which they work. Our vision is of a world where people can shape and create their own accessible and inclusive transport solutions and our mission is to achieve this through championing accessible and inclusive transport, connecting people and ideas and by strengthening our members and raising standards.

Keep up to date with CTA via our website or by signing up to our monthly [News Brief](#).

About CTA's Advice Service

The CTA's Advice Service is available to CTA members, community and other voluntary groups, local authorities and other statutory bodies. It offers information and support on any aspect of non-profit transport operations. The CTA's Advice Service covers the whole of the UK and is supported by national governments. We will only ever explain the most accurate and commonly accepted interpretation of regulations and best practice. We do this by providing support and information on a wide range of community transport related topics such as permits and licensing regulations and by signposting to other agencies. The Advice Service does not exist to provide legal advice on any topics. If you are still unsure you will need to seek [legal advice](#).

For more information, contact
advice@ctauk.org | 0345 130 6195 | www.ctauk.org

This leaflet has been primarily produced for members of the CTA. If your organisation has benefited from using it but isn't a member please consider joining us, for more details please see: <https://ctauk.org/why-become-a-cta-member>.

Disclaimer:

The Community Transport Association has made every effort to ensure the accuracy of the information contained in this leaflet, but it should be noted that this is only a guide, and should be treated as such.