



DEPARTMENT OF LOCAL GOVERNMENT

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## Motor Insurers' Bureau of Ireland

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Text of an Agreement dated 30th November, 1955, between the Minister for Local Government and Motor Insurers' Bureau of Ireland, providing for a scheme for compensation for victims of uninsured motorists (in respect of injury to person), together with some notes on its scope and purpose.

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DUBLIN:  
PUBLISHED BY THE STATIONERY OFFICE

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(P.L. 3298)

IN accordance with an agreement made on 10th March, 1955, between the Minister for Local Government and insurers granting compulsory motor vehicle insurance in Ireland, a company called "Motor Insurers' Bureau of Ireland" has been incorporated and has on the 30th November, 1955, entered into an agreement with the Minister for Local Government to give effect to a scheme to secure compensation in respect of injury to person to third party victims of road accidents in cases, where, notwithstanding the provisions of the Road Traffic Act, 1933, relating to compulsory insurance, the victim is deprived of compensation by the absence of insurance, or of effective insurance.

Following is the text of the agreement :

MEMORANDUM OF AGREEMENT made the Thirtieth day of November, One thousand nine hundred and fifty-five between THE MINISTER FOR LOCAL GOVERNMENT (hereinafter referred to as "the Minister") of the one part and MOTOR INSURERS' BUREAU OF IRELAND whose registered office is at 4 College Green in the city of Dublin of the other part SUPPLEMENTAL to an Agreement (hereinafter called "the Principal Agreement") made the Tenth day of March One thousand nine hundred and fifty-five between the Minister for Local Government of the one part and Those Insurers Granting Compulsory Motor Vehicle Insurance in Ireland by or on behalf of whom the said Agreement was signed (hereinafter and hereinafter referred to as "the Insurers") of the other part.

WHEREAS in pursuance of the undertaking given by the Insurers in paragraph 1 of the Principal Agreement a Company has been incorporated under the Companies Acts 1908 to 1924 with the name of Motor Insurers' Bureau of Ireland (being a party to these presents and hereinafter referred to as "M.I.B. of I.");

NOW THEREFORE IT IS HEREBY AGREED between the parties hereto as follows:—

Satisfaction of  
Judgments by  
M.I.B. of I.

1. IF judgment in respect of any liability for injury to person which is required to be covered by an approved policy of insurance under Section 56 of the Act is obtained against any person or persons in any court established under the Courts of Justice Act, 1924 (No. 10 of 1924) whether or not such person or persons be in fact covered by an approved policy of insurance and any such judgment is not satisfied in full within 28 days from the date upon which the person or persons in whose favour such judgment was given become entitled to enforce it, then "M.I.B. of I. will so far as such judgment relates to injury to person and subject to the provisions of these presents pay or cause to be paid to the person or persons in whose favour such judgment was given any sum payable or remaining payable thereunder in respect of the aforesaid liability including taxed costs (or such proportion thereof as is attributable only to injury to person) or satisfy or cause to be satisfied such judgment whatever may be the cause of the failure of the judgment debtor to satisfy the same.

Period of Agreement. 2. THIS Agreement shall be determinable by the Minister at any time or by M.I.B. of I. on two years' notice without prejudice to the continued operation of the Agreement in respect of accidents occurring before the date of termination.

Recoveries. 3. NOTHING in this Agreement shall prevent vehicle insurers (or any of them) from providing by conditions in their contracts of insurance or by collateral agreements that all sums paid by them on behalf of M.I.B. of I. or by M.I.B. of I. by virtue of the Principal Agreement or of these presents in or towards the discharge of the liability of their policyholders shall be recoverable by them or by M.I.B. of I. from the policyholder or from any other person.

Conditions precedent to M.I.B. of I.'s liability. 4. THE following shall be conditions precedent to M.I.B. of I.'s liability, *videlicet* :—

(a) That notice of proceedings be given by registered post before commencement of such proceedings :

(i) To the insurer in any case in which there was in force at the time the accident occurred an approved policy of insurance purporting to cover the driving of the vehicle and the existence of which is known before the commencement of proceedings to the person bringing same ;

(ii) To M.I.B. of I. in any other case.

(b) That if so required by M.I.B. of I. and subject to full indemnity from M.I.B. of I. as to reasonable costs, the person bringing the proceedings (hereinafter called the Plaintiff) shall have taken or shall take all reasonable steps against any person against whom the Plaintiff might have a remedy in respect of or arising out of the injury or death of the Third Party. Any dispute as to the reasonableness of a requirement by M.I.B. of I. that any particular step should be taken to obtain judgment against any such person shall be referred to the Minister whose decision shall be final.

Assignment of Judgment.

(c) That the judgment or judgments (including such judgments as may be obtained under paragraph (b) of this Clause) be assigned to M.I.B. of I. or its nominee.

(d) That the Plaintiff shall give credit to M.I.B. of I. for any amounts paid to him by or on behalf of the defendant in respect of any liability for injury to person or property arising out of the event which occasioned the claim against M.I.B. of I.

Offers in Satisfaction.

5. WHEN notice of proceedings has been given under Clause 4 it shall be competent for M.I.B. of I. not later than fourteen days after the closing of the pleadings to offer to the Plaintiff in full satisfaction of the obligation of M.I.B. of I. such sum as they consider sufficient in respect of damages together with the equivalent of the taxed costs to date and if in that action the Plaintiff is awarded in respect of damages for injury to person apart from injury to property not more than the sum offered under this Clause (exclusive of the sum for such costs) then in satisfaction of this Agreement M.I.B. of I. shall not be required to pay more than the total of such damages awarded and the sum offered in respect of costs and shall be entitled to set off any costs incurred by them after the date of the offer.

**State Vehicles and Exempted Persons.**

6. (a) M.I.B. of I's acceptance of liability under Clause 1 in respect of vehicles the use of which is required to be covered by an approved policy of insurance shall extend to vehicles owned by or in possession of the State or of an "exempted person" as defined in Section 60 of the Act only so long as there is in force an approved policy of insurance purporting to cover the use of the vehicle.

(b) For the purpose of this Clause a vehicle which has been unlawfully removed from the possession of the State or from an "exempted person" shall be taken to continue in that possession whilst it is so removed.

**Guarantors.**

7. THIS Agreement shall not apply to a vehicle in respect of which there is in force an approved guarantee issued by a vehicle guarantor as defined in Section 59 of the Act.

**Visiting Motorists.**

8. A claim in respect of which the Irish Visiting Motorists Bureau Ltd. accepts liability under a valid International motor insurance card as defined in Statutory Instrument 383 of 1952 shall be excluded from the operation of this Agreement.

**Domestic Agreement.**

9. FOR the purpose of the efficient expeditious and economical carrying out of certain of the obligations accepted by M.I.B. of I. by these presents an Agreement of even date (hereinafter referred to as "the Domestic Agreement") has been entered into by M.I.B. of I. of the one part and the Insurers of the other part whereby the carrying out of certain of the said obligations is delegated to and accepted by individual insurers, but it is hereby agreed and declared that nothing in the Domestic Agreement discharges M.I.B. of I. from its obligations to the Minister under these presents.

**Operation.**

10. THIS Agreement shall not come into operation until the First day of January One thousand nine hundred and fifty-six and shall not apply to any claims in respect of any liability which may be incurred by any person, persons or classes of person in respect of the death or bodily injury of any person caused by or arising out of the use of a vehicle in a public place on a date prior to the First day of January One thousand nine hundred and fifty-six.

**Definitions.**

11. IN this Agreement, "the Act" means the Road Traffic Act, 1933 (No. 11. of 1933):

\* "injury to person" does not include any injury by way of loss of services of the person injured.

IN WITNESS whereof the parties hereto have hereunto set their hands and affixed their seals the day and year first herein WRITTEN.

SIGNED by the Minister for Local Government in presence of:—

Brendan Kiernan

Pauline King

Civil Servants,  
Custom House, Dublin.

P. O'Donnell,  
*Minister for Local  
Government.*

L.S.

PRESENT when the Common Seal of the Motor Insurers' Bureau of Ireland was affixed hereto:—

J. Killen

John Reid

G. A. J. Pattison,  
*Chairman and Secretary.*

L.S.

## NOTES

The following notes are for the guidance of those who may have a claim on Motor Insurers' Bureau of Ireland under the agreement, and of their legal advisers, but the notes must not be taken as rendering unnecessary a careful study of the agreement itself. Communications on any matters connected with the scheme should be addressed to Motor Insurers' Bureau of Ireland whose address is 4 College Green, Dublin, C.1.

1. The Bureau's liability dates from 1st January, 1956. Claims arising out of accidents which occurred before that date are excluded from the agreement and the Bureau is not authorised to deal with any application relating to such accidents.

2. If damages are awarded by a Court in respect of death or personal injury (but not in respect of property) arising out of the driving of a mechanically propelled vehicle in a public place in circumstances where the liability is required to be covered by insurance under the Road Traffic Act, 1933, and such damages, or any part of them, remain unpaid twenty-eight days after the judgment becomes enforceable, the Bureau will pay the unrecovered amount of such damages (including such taxed costs as are attributable to proceedings in relation to injury to person) to the person in whose favour the judgment has been given against an assignment of the judgment debt. Payment in respect of loss of service of an injured person is specifically excluded from the liability of the Bureau.

3. Nothing in the agreement affects the position at law of the parties to an action for damages arising out of the driving of a motor vehicle. The Bureau's liability under the agreement can only arise when the plaintiff has successfully established his case against the tort-feasor or tort-feasors in the usual manner and judgment has been given in his favour. It is, of course, always open to the plaintiff to negotiate a settlement with the alleged tort-feasor or the Bureau.

4. **Where there is a policy.**—In those cases where it is known to the claimant, or those acting on his behalf, that there was at the time the accident occurred an approved Policy of Insurance purporting to cover the driving of the vehicle, the insurer who issued the policy should be notified. The claim will then be handled in the usual way, even though the insurer may be in a position to repudiate liability under the policy for the reason that its conditions have been breached or that it was obtained by improper methods. The insurer will regard the policy as effective so far as the claimant is concerned, but without prejudice to any rights which the insurer may have against the policyholder. It must, however, be emphasised that there is nothing in the scheme affecting any obligations imposed on a *policyholder* by his policy. Policyholders are not released from their contractual obligations to their insurers, although the scheme protects *third party claimants* from the consequences of failure to observe them.

Attention is drawn to the fact that in such cases it is a condition of the agreement that notice of proceedings must be given to the insurer by registered post before proceedings are commenced.

**Where there is no policy.**—In cases where there is no policy, or for any reason the existence of a policy is in doubt, the claimant or those

acting on his behalf must notify the Bureau of the claim. *It is a condition of the Bureau's liability that it should receive notification by registered post before the commencement of proceedings against the alleged tort-feasor.*

5. Claims arising out of the use of uninsured vehicles owned by or in the possession of the State will, in the majority of cases, be outside the scope of the Bureau's liability (see Clause 6 of the agreement). In such cases the approach should be made to the responsible authority in the usual way.

The following is a precise statement of the circumstances in which the State will, subject always to the overriding authority of the Oireachtas, make payments under this paragraph. It will make payments only in the case of a motor vehicle in its ownership or possession (as defined in Clause 6(b) of the agreement), provided that there is not in force any approved policy of insurance purporting to cover the use of the vehicle. It will meet, on an ex gratia basis, any personal injury claim arising out of the unauthorised use of such a vehicle in circumstances similar to those in which the Bureau would meet a claim under the agreement. In any case, however, in which a claim is made by or in respect of a State employee, there shall be offset against the amount which would otherwise be paid any sum(s) payable under any code of law or administrative arrangement providing for payments out of State funds to or in respect of him as a result of the injury. The State's undertaking to make payments will be subject to the conditions, etc., set out in the agreement in relation to the Bureau, including those regarding notice (which should be given to the responsible authority before the commencement of proceedings), assignment of judgments, and offers in satisfaction.

6. Under the Road Traffic Act, 1933, a "person" who makes an appropriate deposit with the Courts can be exempted from the requirement of insurance under the Act (see Clause 6 of the agreement). C oras Iompair  ireann, the only "person" at present so exempted, will meet claims in respect of its vehicles on the same terms and subject to the same conditions as the State will meet claims in respect of State-owned vehicles (see paragraph 5 above). In any such case notice should be served on C oras Iompair  ireann before commencement of proceedings.

7. In lieu of insuring against third-party risks, a person can obtain a guarantee from an authorised guarantor who has made an appropriate deposit with the Courts (see Clause 7 of the agreement). The only guarantor operating, the Caledonian Insurance Co., will meet claims for compensation arising out of the use of a vehicle in respect of which there is in force a guarantee issued by it purporting to cover the use of the vehicle, in circumstances similar to those in which the Bureau would meet a claim if any other vehicle were involved, subject to the conditions, etc., applicable to the Bureau's liability. Notice in such a case should be served on the Caledonian Insurance Co.

8. The liability of the Bureau does not extend to the compensation of any person who may suffer injury resulting from the driving of a vehicle the owner or driver of which cannot be traced. The Bureau will not, however, necessarily refuse to act in those cases. Where a person has sustained serious and permanent disablement or has died

as a result of injury and there is, in the view of the Bureau, reasonable certainty that the disablement or death was caused by the negligent driving of a mechanically propelled vehicle the owner or driver of which cannot be traced, then the Bureau will at their discretion, give sympathetic consideration to making some ex gratia payment. Applications will only be considered, however, where it is reasonably certain that if the owner or driver had been traced he would have been found by a Court to be under a liability to the applicant, in respect of which he was required by the Road Traffic Act to be covered by insurance ; that he was the only person who might be under any liability in respect of such injury ; and that the failure of the applicant to secure judgment against him in respect of such injury was solely due to the applicant's inability to find him and serve him with legal process.