

# ROAD TRAFFIC (AMENDMENT) BILL, 2024

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## ROAD TRAFFIC (AMENDMENT) BILL, 2024

### A BILL FOR AN ACT TO AMEND THE ROAD TRAFFIC ACT (CH.220)

#### Enacted by the Parliament of The Bahamas

#### 1. Short title and commencement.

- (1) This Act, which amends the Road Traffic Act (*Ch. 220*), shall be cited as the Road Traffic (Amendment) Act, 2024.
- (2) This Act shall come into operation on the 1<sup>st</sup> day of January, 2025.

#### 2. Amendment of section 10 of the principal Act.

Section 10 of the principal Act is amended as follows —

- (a) by the deletion of subsection (5) and the substitution of the following —
  - “(5) No policy of insurance may be cancelled by an insured person within six months from the date of issue except where the vehicle covered by the policy of insurance is —
    - (a) no longer in use due to a mechanical flaw and is unable to be repaired;
    - (b) has been sold to a third party; or
    - (c) is intended to be transferred to another vehicle owned by the insured person.”.
- (6) A policy of insurance shall be renewable annually within the birth month of the insured person.
- (7) For the purposes of this Part –
  - (a) “authorised insurer” means any company or underwriter registered under the Insurance Act, (*Ch. 347*) to carry on motor vehicle insurance

business as defined by regulation 3(5) of the Insurance (General) Regulations (*Ch. 347*);

- (b) “policy of insurance” means a policy issued for a period of not less than six months and —
  - (i) includes a covering note issued for a period not exceeding ninety days in respect of any motor vehicle excluding any extension of the covering note or any subsequent covering note issued in respect of the same motor vehicle during any period of six consecutive months; and
  - (ii) does not include a policy which expires within six months from the date the policy is produced in respect of an application for a licence under Part IV of this Act.

### **3. Amendment of section 16 of the principal Act.**

Section 16 of the principal Act is deleted and substituted by the following —

**“ 16. Duty to surrender certificate on cancellation of policy.**

- (1) Where a certificate of insurance is cancelled under section 10(5) the —
  - (a) insured person shall —
    - (i) at the time of the cancellation surrender the certificate of insurance to the authorised insurer; and
    - (ii) within five days of the date of cancellation report the cancellation to the Controller and provide evidence of the reason for cancellation as set out in section 10 (5)(a), (b) or (c) to the authorised insurer.
  - (b) the authorised insurer shall within forty-eight hours of the cancellation of the certificate of insurance, issue a notice of cancellation to the Controller which includes —
    - (i) the name, address and contact information of the insured person; and
    - (ii) the reason for the cancellation of the certificate of insurance as set out in section 10(5)(a), (b) or (c).
- (2) Where a certificate of insurance is not surrendered to an authorised insurer in accordance with subsection (1)(a)(i) due to its loss or destruction, the insured person shall notify the

authorised insurer and provide a sworn declaration in writing setting out the circumstances of its loss or destruction.

- (4) Upon receipt of the notice of cancellation, the Controller shall update the records of the Department.
- (5) Where the Controller does not receive evidence of the reason of cancellation under subsection (1)(a)(i) within five days of the cancellation of the certificate of insurance the Controller shall report the matter to the Commissioner of Police.
- (6) Any person —
  - (a) who fails to comply with the provisions of subsection (1); or
  - (b) who makes a sworn declaration the contents of which he knows is false,shall be guilty of an offence and liable on summary conviction —
  - (i) in the case of an authorised insurer to a fine of not less than \$5,000 dollars; and
  - (ii) in the case of the person to whom the certificate of insurance was issued, to a fine of not less than \$2,500 or to imprisonment for a term of three months or both.”.

#### **4. Amendment of section 22 of the principal Act.**

The principal Act is amended by the deletion of section 22 and the substitution of the following —

**“22. Production of certificate of insurance on application for motor vehicle licence.**

- (1) Subject to subsection (2) any person applying for a licence in respect of a motor vehicle under Part IV of this Act shall produce to the Controller evidence as prescribed by regulations, or in the absence of regulations, as the Controller may reasonably require, that either —
  - (a) on the date when the licence comes into operation there will be in force the necessary policy of insurance in relation to the user of the vehicle by the applicant or by other persons on his order or with his permission; or
  - (b) the vehicle is a vehicle to which this Part of this Act 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.

- (2) A policy of insurance produced for the licensing of a vehicle in accordance with subsection (1) shall not be accepted if the policy of insurance expires within six months of the date of application for licensing the motor vehicle.”.

## **5. Insertion of 60A of the principal Act.**

The principal Act is amended by the insertion immediately after section 60 of a new section 60A as follows —

### **“60A. Power of police officer to impound motor vehicles.**

- (1) A police officer may impound a motor vehicle where—
  - (a) a person driving the motor vehicle fails to produce a valid certificate of insurance; or
  - (b) the motor vehicle is unlicensed.
- (2) The Commissioner of Police may designate an area to be a motor vehicle pound.
- (3) The owner of a motor vehicle which has been detained in a motor vehicle pound shall pay to the Commissioner of Police a fee of \$300.00 for the motor vehicle to be released.
- (4) The Commissioner of Police shall cause a motor vehicle which has been impounded to be released to the owner of the motor vehicle where he provides —
  - (a) evidence of payment of the fee prescribed in subsection (3); and
  - (b) a valid certificate of insurance, or a valid licence in respect of the motor vehicle is in force.
- (5) Where a motor vehicle has been impounded for more than one year, the Commissioner of Police shall sell the motor vehicle and apply the proceeds of sale to the costs of removing and impounding the motor vehicle.

## **6. Transitional.**

A valid existing policy of insurance shall be deemed to remain in force until its renewal in accordance with section 10(6) of the Act.

## **OBJECTS AND REASONS**

Clause 1 of the Bill sets out the short title and commencement.

Clause 2 of the Bill provides for the cancellation of a policy of insurance within six months from the date of its issue where the vehicle covered by the policy is unable to be repaired or has been sold to a third party or is intended to be transferred to another vehicle.

Clause 3 of the Bill provides where a policy of insurance has been cancelled within six months of the date of issue, (i) the previously insured person is required to surrender the certificate of insurance at the time of cancellation and report the cancellation to the Controller providing relevant evidence of the reason of cancellation within five days, and (ii) the authorised insurer is required to provide a notice of cancellation to the Controller to enable the Controller to keep accurate records of insured vehicles. The clause also empowers the Controller to notify the Commissioner of Police where he has not received the required evidence of the reason for cancellation.

Clause 4 of the Bill inserts a qualification that a policy of insurance which expires within six months from the date it is produced to licence a vehicle may not be used to provide evidence of insurance in accordance with the Act.

Clause 5 of the Bill empowers the police to impound a vehicle where the person driving the vehicle fails to produce a valid certificate of insurance or the vehicle is unlicensed and the conditions for release.

Clause 6 of the Bill provides for an existing policy of insurance to remain in force until the renewal of the policy in accordance with Clause 3.