

# General business insurance

## IF2: 2016–17 edition

### Web update 5: 15 June 2017

Please note the following update to your copy of the IF2 study text:

#### Chapter 1, section A2A, page 1/2

Please amend the second bullet point in the first bullet list to read:

- Indemnity for loss of or damage to property belonging to third parties: limited to **£1,200,000. This limit was increased from £1,000,000 from 31 December 2016 via an amendment to the Road Traffic Act 1988, following adjustments made by the EU under the Fifth EU Motor Insurance Directive.**

#### Chapter 1, section A2A, page 1/3

Amend the last paragraph to read:

The additional requirements of the Fifth EU Motor Insurance Directive, which must have been enacted in each Member State by 11 June 2007 (for instance, by increasing the third party property damage limit to £1 million, **and now to £1.2 million**) brought the two levels of cover even nearer.

#### Chapter 1, section A2B, page 1/3

Please amend the second bullet point in the first bullet list to read as follows:

- A limit of £20 million for third party property damage for private car policies (i.e. substantially increasing the **£1.2 million minimum** compulsory limit). Lower limits often apply to certain commercial vehicle and motor trade policies.

#### Chapter 11, section G1, page 11/10

Please amend the second paragraph to read:

Thus the objective of the uninsured drivers agreement is to settle, or to ensure settlement of, unsatisfied court judgments where damages are awarded for third party personal injury (unlimited) and/or third party property damage (up to **£1,200,000**) and where there is no motor insurance policy in force.

#### Chapter 11, section G2, page 11/11

Please amend the second paragraph to read:

The MIB also undertakes to make a payment for third party property damage, subject to a cap of **£1,200,000**, where the liable vehicle is unidentified and the MIB has paid compensation for a significant personal injury to any victim of the same accident. ‘Significant personal injury’ is defined as:

#### Chapter 11, key points, page 11/17

Please amend the first key point under the Motor Insurers’ Bureau heading to read:

- The uninsured drivers agreement is designed to settle court judgments awarding damage for third party personal injury (unlimited) and/or third party property damage (up to **£1,200,000**) where there is no insurance policy in force.

#### Chapter 1, self-test answers, page i

Please amend the answer to question 2 to read

2. The minimum requirement by law is to provide insurance in respect of legal liability for third party bodily injury or death (unlimited) and third party property damage (limited to **£1.2 million**), and for payment of emergency treatment fees.