

Unauthorised Drivers

An unauthorised driver, according to the insurance industry, generally refers to a person who drives a motor vehicle without the consent or permission of the owner. This may also include, but is not limited to:

- Young drivers – persons under the age of twenty-five (25) years
- Inexperience drivers – persons who have had a valid driver's permit for less than two (2) years or those who have not been driving regularly even though they may have had their permit for more than two (2) years.

Most standard insurance policies require that anyone who is permitted to drive a vehicle must be over the age of twenty-five (25) and have at least two (2) years driving experience. Some insurance policies may also restrict the use of the vehicle to drivers named on the insurance certificate only, for example the insured and spouse. Coverage can be extended to young or inexperienced drivers upon payment of additional premiums.

Once it can be proven that the driver at the material time of an accident was in breach of the insurance policy, the insurance company will not be in a position to honor any claims presented, whether fully Comprehensive or under Third Party Coverage. The claimant will have to seek his/her redress directly from the insured and/or driver.



Case: Unauthorised Driver

Mr. James was the legal owner of his motor vehicle and was insured with XYZ Limited. He was feeling unwell and asked his daughter to collect some medication from the local pharmacy. She proceeded to use his motor vehicle and safely arrived at the pharmacy. However, in attempting to reverse from her parking spot she collided with another parked vehicle.

The owner of the damaged vehicle presented a claim to XYZ Limited. After an investigation was completed, it was determined that Mr. James' daughter was driving for less than two (2) years and was not a named driver on her father's policy. Unfortunately, the claim presented by the third party was not honoured by XYZ Limited due to a fundamental breach by their insured, Mr. James. The third party was redirected to pursue his claim from Mr. James.

Tips:

- It is important that persons read and understand all the terms and conditions of their motor vehicle insurance policy. Insurance companies will not honor claims presented where the person driving at the material time of the accident has been deemed an unauthorised driver.
- Merely giving consent does not automatically ensure that a driver is authorised. The insurance policy will clearly outline the persons or classes of persons entitled to drive the motor vehicle with specific consideration to young drivers, inexperience drivers and persons holding valid driving permits required by the Licensing Authority.
- An insurance company cannot avoid third-party risks as outlined in Section 12 (1) of the Motor Vehicles Insurance (Third-Party Risks) Act Chapter 48:51 as it pertains to, among other conditions, the age or physical or mental condition of persons driving the vehicle. However, a third-party claim may be denied based on instances involving inexperienced drivers as stipulated in the respective policy as this is not covered under the Act. Under Comprehensive cover, whether it be age or inexperience, the company will deny the claim.
- An insurance company should explain to consumers at the proposal stage the consequences of providing inaccurate information or making fraudulent statements or non-disclosure of material risks (e.g. age, medical history, or previous claims) that could result in inter alia: 1. A policy being cancelled; 2. Claims not being paid; and difficulty in purchasing insurance elsewhere (Disclosure of Information - Section 5.5.1 Market Conduct Guideline for Registrants under the Insurance Act, 2018 – July 2023).

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