

Third Parties (Rights against Insurers) Bill [HL]

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Considered in Grand Committee

Moved By Lord Bach

The Parliamentary Under-Secretary of State, Ministry of Justice (Lord Bach):

My Lords, this Bill implements, with minor modifications, the recommendations of the Law Commission and the Scottish Law Commission in their joint 2001 report, *Third Parties- Rights Against Insurers*. I am very grateful to the Law Commissions for their work.

The Bill comes before your Lordships' House as the second Bill under the trial procedure for Law Commission Bills. Like the first Bill under the procedure, which became the Perpetuities and Accumulations Act 2009, it is technical in nature. However, while the subject matter of that Act lays very much in the area of lawyers' law and requires a good deal of understanding of that law to appreciate its impact, this Bill is more accessible and more obviously relevant to ordinary people in ordinary situations. Put simply, its core purpose is to create a more straightforward and cheaper route to compensation for people who find themselves caught up in a dispute with someone who is insolvent. To achieve this objective the Bill simplifies and modernises the procedure to be followed, not the substantive law underlying it. The Bill also differs from the 2009 Act in that it applies to the whole of the United Kingdom. In relation to Scotland, the subject matter of the Bill is reserved and therefore the Bill will apply there. In 2001, when the report of the Law Commissions was published, there was not a Law Commission for Northern Ireland. The Bill has been extended to Northern Ireland at the request of the devolved Administration following public consultation there. The Bill will therefore replace not only the Third Parties (Rights against Insurers) Act 1930, which applies to England, Wales and Scotland, but also the Third Parties (Rights against Insurers) Act (Northern Ireland) 1930.

As noble Lords will have noticed, the Bill looks different from the draft Bill attached to the Law Commission report. Obviously, some changes were

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necessary to incorporate provisions for Northern Ireland, but the main changes are intended to make the Bill easier to understand. As noble Lords who were at the open meeting last week to hear Mr David Hertzell's presentation on the Bill may be aware, the Bill in its present form is fully supported by the Law Commission. Mr Hertzell is the law commissioner responsible for common and commercial law. He was accompanied by Lord Justice Munby, now the chairman of the Law Commission, whose presence underlined the support of the commission for the Bill and the new procedure.

Before going into the Bill in detail, I thank those who have been instrumental in developing this new procedure. I cannot possibly predict whether the procedure will be made permanent-that is a matter for the Procedure Committee and the House-but I am encouraged by the experience of helping to take through the House the Perpetuities and Accumulations Bill, as it then was, and I believe that a permanent procedure could make a real difference to the rate at which Law Commission recommendations can be implemented.

The development of the new procedure was only possible because of the co-operation between all sides of your Lordships' House-the Government, opposition parties and Cross-Benchers-and I hope that we will be able to carry this spirit forward throughout our debates because the new procedure is obviously founded on the principle of consensus.

The overall aim of the Bill, which is based on and is the result of extensive consultation, is to modernise a procedure dating from 1930, where a person suffering injury or loss caused by a person who is or becomes insolvent can claim compensation from the wrongdoer's insurer. This is well supported across the whole of the insurance field. The Bill continues the underlying policy of the 1930 Acts, which is to ensure that on insolvency the proceeds of insurance policies go to the purpose for which they were intended and are not swallowed up in the general funds available to creditors. The key innovations introduced by the Bill relate, first, to the procedure by which the third party's rights can be established and, secondly, to the process by which the third party can obtain information about the insurance policy. The remainder of the Bill is essentially ancillary to these main reforms.

I shall deal, first, with the new procedure before turning to the information rights provisions, and shall end by speaking about some of the remaining modernising features of the Bill.

The starting point under the 1930 Acts and the Bill is that, where a person is owed a liability by another and that other person is or becomes insolvent, the rights of the insolvent person against his or her insurers are automatically transferred to the person owed the liability, whom we refer to as the third party.

I hope that it will not be considered cheeky if I give a couple of short examples of the type of situation in which the 1930 Acts and the Bill apply. My first example is Mr Brown, who is our third party. He employs a builder, who is the insured, to refit his shop. The building contractor has liability insurance with an insurer. While carrying out work on the refit, the building contractor damages the electrical supply system.

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Unfortunately, before Mr Brown can recover damages from the builder, the builder goes into liquidation, but Mr Brown, the third party, is given a right to claim for the money owed to him by the builder-the insured-under the builder's liability insurance.

The second example concerns a Mr Smith, our third party. He has been diagnosed with cancer as a result of exposure to asbestos at work and has been told that he has a

life expectancy of one year. He would like to claim compensation from his employer for loss of earnings and loss of pension. His employer, our insured, had insurance to cover liabilities to employees but has since become insolvent and gone out of business. Therefore, Mr Smith, the third party, is able to receive the compensation that he should have received from his employer from his employer's insurer.

Under the 1930 Acts, a third party cannot issue proceedings against an insurer without first establishing the existence and amount of the insured's liability to the third party. This may require the third party to bring proceedings against the insured. If the insured is a dissolved company that has been removed from the register of companies, at present the third party must bring proceedings to restore it to the register in order to be able to sue it. The Bill removes the need for these separate proceedings against the insolvent person and thereby removes the need to restore companies to the register. It does this by allowing the third party to issue proceedings against the insurer to establish, first, the insured's liability and, secondly, the potential liability of the insurer. This removes the need for preliminary proceedings against the insured.

To achieve that outcome, Clause 1 defines when the statutory transfer of the insured's rights to the third party occurs and specifies when the third party may enforce those rights. Clauses 2 and 3 introduce the new procedure that may be used to establish, first, the insured's liability and, secondly, the potential liability of the insurer, and describe how the new procedure is intended to work. For these provisions to operate, the insured must be a "relevant person". That means that he or she is either insolvent or subject to any of the other insolvency-type events specified in Clauses 4 to 7. These provisions are very detailed and update the equivalent provisions in the 1930 Acts to take account of changes in insolvency- related law.

The transfer of rights under Clause 1 is not intended to put the third party in a better, or worse, position than the insured or to affect anything other than the entitlement to the proceeds of the insurance policy in relation to the liability in issue.

This general rule is subject to three qualifications, where it would not be appropriate for the insurer to be able to rely on the strict interpretation of conditions in the insurance policy requiring the insured person-who may be dead or dissolved-to perform some act in person. These provisions are set out in Clauses 8 to 10 and Clause 14. The qualifications I have mentioned are in Clause 9.

I turn now to the right to information, the second major reform in the Bill. Under the 1930 Acts, the right to obtain information does not arise until the insured's liability has been established. Until then, the third

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party may have to conduct litigation in ignorance of whether any rights under the 1930 Act have been transferred. As a result, time and money may be wasted pursuing a worthless claim. Alternatively, a worthwhile claim may be abandoned in the belief that there would be no funds to pay a judgment.

Clause 11 and Schedule 1 set out a clear disclosure regime, which remedies the problem. It enables a third party to write to someone whom they reasonably believe can provide the information the Bill specifies. That would include either an insurer or a broker. The information which a third party may seek is clearly listed in the schedule. The duty of a person who receives a request for information is also clearly set out—he or she must respond within 28 days. This ensures that a third party is able to obtain the information he or she needs to commence or continue proceedings without creating a system that is unduly onerous or costly for those who are providing the information.

The remaining provisions contain a number of important but ancillary reforms, which I will briefly outline. Clause 12 sets out limitation rules relating to claims under the Bill. Clause 13 deals with jurisdiction to deal with claims under the Bill as between different territories in the United Kingdom. Clauses 15 to 19 define aspects of the scope of application of the Bill. Clause 15 specifies that the Bill does not apply to reinsurance liabilities. This follows the 1930s Acts. Clause 16 ensures that the Bill applies to voluntarily incurred liabilities such as liabilities covered by legal expenses insurance, health insurance and car repair insurance. This removes the doubt that existed under the 1930 Acts as to whether these liabilities were within the scope of the statutory scheme.

Clause 17 includes anti-avoidance provisions to ensure that the effects of the Bill are not nullified by the way in which an insurance contract is drafted. Clause 18 provides a clear statement that the Bill will generally apply irrespective of whether the case has a foreign element.

Finally, the Bill deals with the question of when it will apply and when the old law will continue to apply. This is essential as there will be ongoing cases when the Bill is brought into force. Clause 20 and Schedule 3 specify that the Bill will apply to all cases where the insured incurs a liability or becomes a relevant person after the Bill comes into force. In cases where both of these events occur before the Bill comes into force the present law will continue to apply.

I began by saying that this Bill was simpler than the Perpetuities and Accumulations Act 2009, but I did not say it would be simple. I am sure that we will have interesting discussions about the proposed reforms, and that experts will have different views on some of them. I can, however, assure the House that the reforms we have proposed are based on consultation with experts and are believed to represent a generally supported consensus. I take this opportunity of thanking all those who have taken part in the preparation of the Bill.

We believe the Bill will make the law simpler and less expensive to operate. It should bring real benefits to people in difficult situations. It should also benefit insurers by simplifying the procedures within which

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they have to operate. Despite the impression that may be given by its name, which

merely follows the 1930 Acts, this is not in any sense a Bill against insurers-it is a Bill for all sides of the insurance industry.

I commend the Bill to the Committee.

3.45 pm

Lord Hunt of Wirral: My Lords, first, I declare the interests set out against my name in the Register-in particular, my being a partner in the national commercial law firm Beachcroft LLP.

I thank the Minister for his very clear outline of exactly what the Bill seeks to achieve. I say at the outset how pleased I am to see the noble and learned Lord, Lord Lloyd of Berwick, in his place, because we now have the Law Commission Act 2009, which I calculate will come into force on 12 January 2010. Perhaps the Minister could confirm that date because I want to raise two important issues in the context of the procedure recommended by our Procedure Committee that we are adopting for the second time.

First, following the Law Commission Act coming into force on 12 January next year, can the Minister outline for us the sort of timetable that the Government intend to follow in laying before the House the Lord Chancellor's report under Section 1 of the Act on the implementation of the Law Commission's proposals? Secondly, and directly relevant to our debate this afternoon, when will the protocol as set out in Section 2 be laid before us? One point that may or may not arise out of this debate is the concern about the delay that occurs between the Law Commission's report and its implementation. However, if I may, I shall come back to that.

I strongly support the procedure followed in the Perpetuities and Accumulations Act, which was the first Bill to utilise this procedure. It would be very helpful to know from the Minister what lessons have been learnt from the way in which that procedure was followed, because this is the second and, we understand from the Procedure Committee, last of the Bills that will be used by that committee in deciding whether to adopt this procedure. I very much hope that it does adopt it because I think that in many ways it is a sensible way to fast-track the implementation of the proposals.

Perhaps we may remind ourselves why we have a Law Commission. The noble Lord, Lord Goodhart, knows very well-he referred to it last time-that it was established as long ago as 1965, and its purpose is to ensure that our statute law is fair, modern and simple and as cost-effective as possible. Therefore, we all have a strong interest in ensuring that proposals that come forward are dealt with as quickly as possible. Next, I want to remind the Minister that the consultation which resulted in the Law Commission's report was carried out in 1998 and the terms of the report were agreed on 14 June 2001. Therefore, it is more than eight years since that report was presented. Can the Minister give any reason why it has taken so long? Is it the lack of this procedure-which is an important ingredient as we consider how best to take things forward-or are there other, more compelling, arguments with which he would like to present us?

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When debating the Perpetuities and Accumulations Act, the Minister said on 24 April, at col. 1737 of *Hansard*, that he was rather proud that around 70 per cent of Law Commission proposals have been implemented. However, I was a little dismayed to hear from Bridget Prentice on 16 October that the figure had slipped to 67 per cent. It may well be that the Minister was over-egging the pudding but it is important to focus not only on the 67 per cent that have been implemented but on the 33 per cent that have not. I do not know whether it is possible, as we embark on the special Committee stage of the Third Parties (Rights against Insurers) Bill, to think about not only the procedure but the reasons for the delay and how we can overcome that delay.

It is difficult to compare this Bill with the draft Bill and a previous draft Bill. It may be helpful if the Minister can guide us as to the difference between the three Bills. For example, he referred to the "relevant person". In the draft Bill, the Law Commission felt that the right way to express that was to say "a person to whom this section applies". No doubt due to parliamentary draftsmen or for some other reason, that has now become a "relevant person". I could give the Minister a host of other examples—more for the Committee stage than for now—but it would be helpful if he could share with us a list of the differences and the reasons for them.

Perhaps he can confirm that there is no change in the effect of the Bill, because, as he has said, one of the key objectives of the procedure is to build on consensus. If these changes have been made by parliamentary draftsmen to give effect to the same intention, that is one thing; however, if they feel that what the Minister referred to as "minor modifications" are to accommodate not only the Northern Ireland dimension but the other changes, it will be helpful to have an analysis.

Bearing in mind that these provisions are generally agreed to be uncontroversial, the need for some form of consolidation is necessary. One of the difficulties which a member of the public will face—and, speaking as a solicitor, I should bend over backwards to move in the direction of codification, which is one of the Law Commission's objectives—is that it is difficult to follow different Acts of Parliament. Is it in the plans to consolidate the law once the Bill has been passed, and what steps will be made to make it more intelligible?

We have a number of Bills in the pipeline—the so-called 33 per cent of these reports. I recall that in the debate in the other place, Mr Christopher Chope asked for a list of all those reports that had not yet been implemented and an analysis of why they had not been. I have not done as much homework as I should have done and have not been through all the Written Questions and Answers in the other place. Was that list ever supplied and, if it was, could it please be brought to our attention?

Turning to the detail of the Bill, the report is already more than eight years old and during its narrative—Mr David Hertzell dealt with this in his excellent presentation—the

Law Commission comes down on one side or another of the representations that were made by the various consultees. It would be

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helpful to know whether there have been any further representations since the report was published and whether there are any ongoing problems. I am unaware of any but it would be wise to have confirmation from the Minister. The overall objective of the legislation is to simplify procedures and cut costs, which, as I understand it, will be in everybody's interests. It would be very helpful to have confirmation that no one has raised any further worries of which we should be aware.

I know that the Law Commission has a tremendous reputation for getting rid of obsolete statutory provisions—at the moment, it is considering proposals to abolish 30. That is a step in the right direction, because we all want to see the whole business of statute law made much more effective. It is also considering administrative redress against public bodies and a number of other issues. When the Minister reports to us at the conclusion of this debate that we have made real progress already in putting in the pipeline further Bills to come before this House and the other place under these new procedures, that will give the Procedure Committee a sense of urgency as it considers how best to proceed; it will be helpful to know that there are other Bills still in the pipeline. The Bribery Bill will have its Second Reading on Wednesday and I am presuming that there are a number of others in the pipeline. We should strain every sinew to make sure that we are simplifying the procedures so far as is possible to enable those Bills to be presented once the procedure has been approved and to be enacted as quickly as possible.

In summary, we are heading in the right direction. I am slightly concerned that we are not going to look at the effect of the Bill until five years after the legislation has been enacted, according to its impact assessment. I hope that it will be kept under continuous review; that would be better than waiting for the five-year period to elapse.

I seek the Minister's assurances with regard to those provisos but am very happy to support not only the procedure but also the Bill.

3.59 pm

Lord Goodhart: My Lords, I wholeheartedly support the Bill, as does my party—or, at least, those members of my party who are aware of the Bill's existence. It is an absolutely prime example of why the new procedure is very valuable and must be continued.

Let us look at the Bill's history, which has already been outlined by the noble Lord, Lord Hunt of Wirral. In 1998, the Law Commission published a consultation paper on reform of the 1930 Act. In July 2001 it published its report number 272, which stated at paragraph 1.7:

"Respondents to our consultation paper ... overwhelmingly confirmed that the deficiencies of the 1930 Act were not merely theoretical but caused real hardship".

That should have been a signal for the Government to get moving on this. However, that is not what happened because, in accordance with the usual practice, a draft Bill was attached to the report. The proposals in the report were non-controversial, there is no record of

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any objections by insurance companies and, in any case, the parties who will suffer most from the reform are lawyers who, as a result of this Bill, will have to appear in only one case rather than two. It would have been reasonable to assume that a Bill to give effect to the Law Commission's report would have been enacted within a year or two of the report being published. However, it is now eight and a half years since its publication—a blatant example of the difficulty in getting Bills such as this through your Lordships' House.

As a result, I am a very strong supporter of the new procedure, which I certainly hope will make it possible to get relatively simple and uncontroversial Bills such as this one through your Lordships' House in a much shorter time and without taking up time that might be committed to other business. I am grateful for the time and effort that the EU High Representative for Foreign Affairs put into working on the new procedure when she was our own Cathy Ashton.

This is the second Bill under the new procedure. The first was the Perpetuities and Accumulations Bill, which has now been enacted. That produced some interesting but rather arcane discussion as to whether the perpetuity period should be 100 years, 125 years or without a time limit. Nevertheless, that was sorted out and the legislation got through. This Bill seems even more straightforward; it is quite possible that no one will put down any amendments to it and it will go straight to a Third Reading. I hope that that is true but, in any event, I think that any amendments are unlikely to stop the Bill getting through. I certainly have no intention of tabling any amendments.

It is therefore with great pleasure that I support the Bill, which seems to be a simple, obvious and meritorious improvement to a minor problem of our legal system.

4.03 pm

Lord Borrie: My Lords, over the years, many of us have been critical, if not highly critical, of the Government and previous Governments for failing to implement, or for unduly delaying the implementation of, worthwhile Law Commission reports asked for by the Government of the day. It is a pleasure, therefore, to congratulate this Government on putting forward in the gracious Speech two Bills which are intended to implement Law Commission reports—the Bribery Bill and this Bill. Of course, they have to be dealt with somewhat differently as the Bribery Bill may well produce more controversy and difficulty.

I share with the noble Lords, Lord Hunt of Wirral and Lord Goodhart, the concern that, despite the points I have made, it has been an eight-years-or is it eight-and-a-half years, as the noble Lord, Lord Goodhart, said?-since the Law Commission report on the subject of third party insurance was published. Like the two noble Lords, I can see the tremendous advantage of the procedures allowed for by the new Law Commission Act, which is shortly to come into effect, and how helpful that will be.

In 1930-I was not quite born then-there were not many cars on the roads; certainly far fewer than now. However, there had been a sufficiency of unfortunate accidents created through the fault of motorists to

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make Parliament feel that it should be made compulsory for motorists to take out certain kinds of liability insurance. One should commend our forebears in Parliament 80 years ago for requiring that compulsion and for their foresight in introducing the third party insurers Act. They realised that not only would there be many more cars in future but that they would be driven by people who were not necessarily well off-as, no doubt, car owners were in the early days of motor cars.

As the law then stood, based on the common law of privity of contract-a phrase of which I am fond but which I have not heard from noble Lords who have spoken so far-no liability insurance was enforceable directly by the third party against the insurer. Therefore, if the insured was insolvent, the third party had no right to claim direct against the insurance company and was left with merely a right to share with other creditors the modest assets that might be available out of the administration of the insured's insolvent estate. For the injured person-or the relatives of a sadly deceased person killed by a motorist-the 1930 Act was a godsend; it enabled the third party to stand in the shoes of the insolvent insured and claim direct against the insurance company.

Following employers' liability insurance becoming compulsory in 1969, employees had the benefit of the 1930 Act to claim direct against an employer's insurers when the employer was at fault and was insolvent. I recall raising this matter in the excellent presentation that the Minister and Mr Hertzell gave last week and I know that they are fully aware of the existence and value of the Motor Insurers' Bureau. The 1930 Act was never any use, of course, if someone was uninsured or their insurance was out of date, not paid for and so on-there was no question of these rights emerging-but the insurance companies, valuably, got together to put funds into what became known as the Motor Insurers' Bureau. Thereafter, in relation to both uninsured motorists and the hit-and-run driver-sometimes known as the untraced motorist-there would be a fund against which an injured party would be able to claim. It is an informal scheme based not on statute but, as I understand it, on agreement between the Ministry of Transport and the insurance companies which deal in this field.

I ask the Minister whether he is satisfied with the operations of the Motor Insurers' Bureau and whether, given the Employers' Liability Act and the fact that some employers are not insured when they should be by law, there is a need for a similar arrangement in the field of employers' liability.

Nearly 80 years have passed since the introduction of the statutory exception to the privity of contract principle that we are talking about today. Deficiencies in the 1930 Act have become noticeable-especially the requirement, to which the Minister referred, that the third party must first establish the existence and amount of the insured's liability before proceeding against the insurance company. Fortunately, under the Bill, which follows the Law Commission's recommendations, one set of proceedings will suffice and there is no need for multiple proceedings and multiple costs.

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Under the 1930 Act, as the third party stood in the shoes of the insured, it was not surprising that, normally speaking, any defence that could have been raised against the insured could be raised against the third party. I am glad to say that there are various exceptions in, I think the Minister said, Clauses 8 to 10 and 14, which give more favourable rights to the third party than to the insured. He also made the valuable point that, as insolvency law has changed, various arrangements, including voluntary ones, can be made in those circumstances and the new Bill will cover those arrangements. It will also cover matters of motor vehicle insurance and employers' liability insurance that are not compulsory, such as health insurance and legal expenses insurance, which many of us are encouraged to take out even though it is not a requirement of the law.

The Law Commission-which I put first above the Government for a reason that I shall mention in a moment-is to be congratulated on providing the Government with a comprehensive report on this rather technical procedure. I welcome that. I hope the Minister will not mind my raising an issue that he may consider irrelevant to this debate. I am concerned that the Law Commission's more general and substantial report, *Insurance Contract Law: Misrepresentation, Non-Disclosure and Breach of Warranty by the Insured*, the release of which we look forward to next week, may be put away on a very high shelf by the Government, especially as we are coming towards the close of this Parliament before a general election. That would be most unfortunate. Perhaps I may put down this marker: whether the Government have a short or a long life on the other side of the general election, I should like them to make a statement on how they regard that report. The earlier consultation papers have certainly indicated that it is likely to be a very useful, solid and valuable report, and if in the next few months the Government can say so, that will be most useful for the future.

4.13 pm

Lord Bach: My Lords, I am most grateful to the noble Lords who have taken the trouble to come to this Second Reading Committee today, and I particularly thank those who have spoken. I do not expect that the reporting of this Bill will make headlines tomorrow, but it is significant because it will help to bring real benefits to

claimants and insurers, enabling them to resolve claims more quickly and cheaply. Of course, all Bills put forward by this Government always bring real benefits to the general public-that almost goes without saying-but I think that one can particularise this one in slightly more detail than others. I am also most grateful for the consensus around the Committee today.

I was asked a number of questions by noble Lords, particularly the noble Lord, Lord Hunt, and I will do my best to answer some of them. There were issues around the Law Commission protocol and the timetable. I thank the noble Lord for his question about the Law Commission protocol. This is the creation, as he said, of the Law Commission Act 2009 sponsored by the noble and learned Lord, Lord Lloyd of Berwick, whom we, too, are delighted to see in his place.

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The protocol is being finalised; I cannot be certain when it will be fully enforced or whether it will be fully enforced when the Law Commission publishes its annual report in May or June next year. If I may, I will relay the noble Lord's interest to my ministerial colleagues who are dealing with the protocol.

I was asked about lessons learnt. It is a bit early for that at this stage-so far, so good, is what we can say. Importantly, both the Government and the Law Commission were pleased by the way in which the previous Bill, now an Act, went through both Houses. Once this Bill has been enacted, I hope that I will be in a better position to put the case for a more permanent process.

The delay has been mentioned by the noble Lords, Lord Hunt and Lord Goodhart. It has to be conceded that the delay has been substantial. It was 2001 when the Law Commission published its draft Bill and report; immediately afterwards, the Lord Chancellor's Department undertook a public consultation about implementing the Law Commission's proposals through a regulatory reform order. That was thwarted, I am advised, by the limited vires of that legislation; as a result of time passing, further consultation was needed and took place last year, leading to the Bill before your Lordships today. That is a factual account rather than a justification-it has taken a long time.

On Law Commission reports, the latest figures I have, which I hope are the same that my honourable friend Bridget Prentice has in another place, show that since 1991 some 54 Law Commission reports with Bills have been published. Most have been implemented, normally by incorporating them into relevant government Bills and, when opportunities arise, within the Government's own legislative programme. Those opportunities are, of course, limited, and as a result the rate of implementation has not kept pace with the production of reports. Six reports which have been accepted by the Government are still awaiting implementation and government responses to another 15 are pending. It is hoped that this new procedure will gradually help clear the backlog and reduce delays in the future.

This Bill does look different from the Law Commission's draft Bill. I can promise noble Lords that I will be providing a detailed submission on all the changes to the

Law Commission Bills so that every Member who has been interested enough to attend this Committee today can see for themselves what the differences are. However, I warn noble Lords that that paper will run to several pages.

We heard about consolidation when the Perpetuities and Accumulations Bill was being debated. Consolidation of this part of the law relating to third parties' rights

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against insurers would clearly help users of the law, but we wonder whether, for the time being at least, it would be sufficiently useful to justify the effort that would be required to get it right. I will pass that view on to the law commissioners for their reaction.

Finally, on the issue of continuous review, as the noble Lord, Lord Hunt, rightly said, we intend to review the costs and benefits of the Bill five years after the legislation has been enacted. If noble Lords consider that period to be rather long, we are willing to consider any appropriate proposals. However, we will continually review-as we do with all Bills-what is happening under this Bill.

The noble Lord, Lord Goodhart, supported the new procedure, He described the reform as making the law simpler and more obvious and we are grateful to him for that. He also praised my noble friend Lady Ashton. He may not know this-I am fairly sure that it is true-but her work on the procedure that has led to the Bill was in the mind of the European Council when it considered the various candidates for high representative, and we all know the result of that. The noble Lord is right to say that the part she played should be duly recognised. He was also kind enough to tell me that there would be no amendments on this occasion. To misquote Hamlet: for this relief, much thanks. That of course applies not only to the noble Lord but to other noble Lords who may be considering laying amendments. I am grateful for what he said.

My noble friend Lord Borrie gave an interesting account of the process. He was particularly concerned about the report that is to be published shortly. He may be aware that, under present arrangements, the Government are required to give an interim response to the Law Commission within six months of the publication of the report. The insurance law report that was issued last week at the meeting will be delivered to the Treasury and I shall pass on to my colleagues there the concerns of my noble friend that, if possible, there should be an early response, whether in broad terms or otherwise, to the important Law Commission report.

I hope that deals with the issues that have been raised. I look forward to continuing our discussions in the special Public Bill Committee in the new year. I am sure the debate will be very interesting.

Motion agreed.

Lord Brougham and Vaux: My Lords, that completes the business before the Committee this afternoon. The Committee stands adjourned just as a Division is called.

Committee adjourned at 4.23 pm.