



CARIBBEAN COURT OF JUSTICE

134 HENRY STREET
PORT OF SPAIN
REPUBLIC OF TRINIDAD AND TOBAGO
Telephone: (868) 612-5CCJ Fax: (868) 624-4710
Website: www.ccj.org

MEDIA RELEASE

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THE CCJ RULES THAT BARBADIAN INSURANCE COMPANY MUST SATISFY JUDGMENT OBTAINED AGAINST ITS INSURED

Port of Spain, Trinidad and Tobago. On Wednesday, 30 July 2025, the Caribbean Court of Justice (CCJ) in Appeal No BBCV2024/002 *Consumers' Guarantee Insurance Co. Ltd (CGI) v Valentine Stevenson and Vicent Anthony Thomas* (Administrator of the Estate of Sherleen Ordeen Thomas, Deceased) dismissed the appeal and cross appeals against a judgment of the Court of Appeal of Barbados and held that the insurer of an owner/driver of a motor vehicle must satisfy the judgment obtained against its insured by a third party. The CCJ also ordered that the costs of the appeal be paid by the insurer.

On 29 November 2007, Mr Valentine Stevenson, owner and driver of a motor vehicle, accidentally hit and killed a pedestrian, Ms Sherleen Thomas. At the time of the accident, there was a current policy of insurance in respect of the vehicle, but Mr Stevenson's driver's licence was expired. He renewed his licence on the first working day after the accident by paying the necessary renewal fee.

In 2010, Ms Sherleen Thomas' estate commenced an action in the High Court and on 31 March 2023, obtained a money judgment against Mr Stevenson. However, prior to that judgment, CGI brought separate proceedings in the High Court seeking declarations that it was not liable to satisfy any judgment obtained by Ms Thomas' estate against Mr Stevenson because a term of the policy excluded coverage if '[t]he driver does not hold or is disqualified from holding or obtaining a valid driver's licence or if the driver is entitled to indemnity under another policy.' CGI was unsuccessful at all three levels of the court system – The High Court, the Court of Appeal, and the CCJ.

At the CCJ, all judges unanimously agreed that the terms of the insurance policy were sufficiently ambiguous to apply the *contra proferentem* rule, which allows the Court to interpret a vague contract against the party that drafted it, namely CGI. As a result, the Court found that the policy did not exclude coverage to Mr Stevenson in the circumstances.

The Court, however, was divided on whether the Road Traffic Act (RTA) in Barbados created ‘automatic’ insurance for the benefit of third parties. CCJ President, the Hon. Mr Justice Anderson and Mme Justice Ononaiwu were of the view that the Act did not create automatic insurance and affirmed that an insurer may, subject to certain statutory restrictions, exclude certain risks from coverage under an insurance policy. The insurer’s exposure is therefore restricted to the liability covered by the terms of the policy.

In contrast, Mme Justice Rajnauth-Lee, Mr Justice Barrow, and Mr Justice Jamadar opined that, but for certain specific statutorily prescribed exclusionary procedures, conditions, and circumstances, there is compulsory and enforceable coverage for injured innocent third parties up to certain statutory limits, subject to meeting certain conditions. They considered that there are three essential conditions to be satisfied for an insurer to be liable to third parties: (i) the *issuance of a certificate of insurance* in favour of a person by whom a policy of insurance has been effected, (ii) an *existing judgment* obtained by a third party against the policy holder, and (iii) a judgment in respect of *liability required to be covered* by the policy under s 38(1) of the RTA. They found all three conditions satisfied in this case and that there was no applicable basis on which CGI could rely to avoid its liability to satisfy the judgment.

All five judges dismissed the cross-appeals, which contended that payment of the licence renewal fee, retrospectively validated the licence.

The appellant, CGI, was represented by Mr Andrew Thornhill, KC, Mr Kashawn Wood, and Ms Shaddiah Hinds. The first respondent, Mr Stevenson, was represented by Ms Verla De Peiza. The second respondent, Mr Vincent Thomas, the administrator of the estate of Ms Sherleen Thomas, was represented by Sir Richard L. Cheltenham, KC and Ms Shelly-Ann Seecharan.

The CCJ’s full decision is available via www.ccj.org.

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About the Caribbean Court of Justice

The Caribbean Court of Justice (CCJ) was inaugurated in Port of Spain, Republic of Trinidad and Tobago on 16 April 2005 and presently has a Bench of six judges presided over by CCJ President, the Honourable Mr Justice Winston Anderson. The CCJ has an Original and an Appellate Jurisdiction and is effectively, therefore, two courts in one. In its Original Jurisdiction, it is an international court with exclusive jurisdiction to interpret and apply the rules set out in the Revised Treaty of Chaguaramas (RTC) and to

decide disputes arising under it. The RTC established the Caribbean Community (CARICOM) and the CARICOM Single Market and Economy (CSME). In its Original Jurisdiction, the CCJ is critical to the CSME and all 12 Member States which belong to the CSME (including their citizens, businesses, and governments) can access the Court's Original Jurisdiction to protect their rights under the RTC. In its Appellate Jurisdiction, the CCJ is the final court of appeal for criminal and civil matters for those countries in the Caribbean that alter their national Constitutions to enable the CCJ to perform that role. At present, five states access the Court in its Appellate Jurisdiction, these being Barbados, Belize, Dominica, Guyana, and Saint Lucia. However, by signing and ratifying the Agreement Establishing the Caribbean Court of Justice, Member States of the Community have demonstrated a commitment to making the CCJ their final court of appeal. The Court is the realisation of a vision of our ancestors, an expression of independence and a signal of the region's coming of age.

For more information please contact:
The Public Education & Protocol Unit
Tel: (868) 612-5225 ext. 2246, 2260
Email: ccjcomm@ccj.org