

(2) No sum shall be payable by an insurer under the provisions of paragraph (1)—

(a) in respect of any judgment unless before or within fourteen days after the commencement of the proceedings in which the judgment was given the insurer had notice of the bringing of the proceedings; or

(b) in respect of any judgment so long as execution thereon is stayed pending an appeal; or

(c) in connection with any liability if before the happening of the event, which was the cause of the death or bodily injury giving rise to the liability, the policy was cancelled by mutual consent or by virtue of any provision contained therein and either—

(i) before the happening of such event the certificate of insurance was surrendered to the insurer, or the person to whom the certificate of insurance was delivered made a statutory declaration stating that the certificate of insurance had been lost or destroyed and so could not be surrendered; or

(ii) after the happening of such event but before the expiration of fourteen days from the taking effect of the cancellation of the policy the certificate of insurance was surrendered to the insurer, or the person to whom the certificate of insurance was delivered made a statutory declaration that the certificate of insurance had been lost or destroyed and so could not be surrendered; or

(iii) either before or after the happening of the event or within a period of fourteen days from the taking effect of the cancellation of the policy the insurer had commenced proceedings under Part V of this Act in respect of the failure to surrender the certificate of insurance.

(3) No sum shall be payable by an insurer under the provisions of this paragraph if in an action commenced before or within three months after the commencement of the proceedings in which the judgment was given he has obtained a declaration that apart from any provision contained in the policy, he is entitled to avoid it on the ground that it was obtained by the non-disclosure of a material fact or by a representation of fact which was false in a material particular or if he has avoided the policy on the ground that he was entitled to do so apart from any provision contained in it:

Proviso.

Provided that an insurer who has obtained such a declaration in an action shall not thereby be entitled to the benefit of the provisions of this paragraph in respect of any judgment obtained in any proceedings commenced before the commencement of that action unless before or