Motor Panel Briefing

BIBA’s Motor Panel represents and protects the interests of BIBA members and their clients on all motor insurance related matters. The expertise and influence of the Panel is recognised not only within the insurance market but also by Government, other trade bodies and the media.

The last year has been a busy and challenging one. There have been some barriers to progress due to Government delays in the implementation of important measures that BIBA has been at the forefront of campaigning for, most notably to allow electronic delivery of motor insurance certificates to policyholders and continuous insurance enforcement, both of which have taken a massive lobby to achieve change but are still some time away from implementation.

Other areas of activity include research into telematics based ‘pay as you drive’ insurance products, with the aim of fully understanding the distribution channel and a call for a thorough review and suitable regulation of price comparison sites to protect consumers.

Electronic Delivery of Motor Certificates

BIBA has led this successful campaign, which will result in substantial cost savings for the industry, particularly for brokers. Unfortunately, delays with the Department of Transport (DFT) have meant that the necessary legislative changes are yet to be drafted and the likelihood is that it will be late 2008 before the green light is given.

Continuous Insurance Enforcement

The Road Safety Act 2006 introduced the new offence of ‘being the keeper of a vehicle that does not meet insurance requirements’. Whilst DVLA has been confirmed as the enforcement agency, Government are looking at the insurance industry to support and participate in the pre-enforcement process. With much yet to be done, the middle of 2009 is probably the most optimistic guess as a target for implementation.

Whilst BIBA has broadly supported the introduction of the new enforcement regime, concerns continue to be raised regarding funding required.

Motor Insurance Database (MID) – Timeliness and Accuracy

The MID is becoming an increasingly valuable tool in the fight against uninsured driving, with every police force in the country now accessing it for information. BIBA has taken an active role in educating brokers (and thus policyholders) regarding the need for timely and accurate submission of information insurers or direct to the MID, guidance on how best to achieve this having been issued and posted on the BIBA website.
BIBA continues to be represented on the DfT’s Motor Insurance Compliance Action Board, the MIB MID Fit For Purpose Programme Board and various MIB sub-committees including Continuous Insurance Enforcement. The more stringent submission target of seven days for MID1 data (mainly personal lines policies) means that efforts cannot be relaxed and we will continue to support brokers and policyholders in all ways possible.

**Price Comparison Sites**

This issue is currently high profile and one that forms part of discussions during the Motor Panel breakout session at the 2008 BIBA Conference. BIBA wants to make certain that consumers understand exactly what they are buying in terms of cover and conditions and also that they obtain the most suitable policy for them, ensuring that they are not misled or confused by site content.

**DVLA On-line Driving Licence Check Facility**

BIBA responded to a consultation document on this issue and has since met with DVLA representatives to discuss their proposals, including fee structure, for allowing commercial entities to make direct, on-line, checks on drivers’ licences, subject to a mandate from the driver concerned. The system offers great potential benefit in combating licence fraud and in assisting corporate vehicle operators to meet a fundamental ‘duty of care’ obligation.

A pilot scheme is about to be launched and BIBA will continue dialogue with DVLA, particularly on proposed fee levels, so that the system is as attractive to as many potential users as possible.

**Increased Minimum Third Party Property Damage Cover**

Following implementation of the 5th EU Motor Directive, the minimum compulsory requirement in the UK is now £1million any one incident.

**Suggested Broker Wording for Motor Insurance Cancellation Letters**

To encourage clients to sit up and take notice and not just let their policy lapse a new wording has been developed and BIBA is encouraging members to add it to the cancellation letters (e.g. following a default):

“Details of all motor insurance policies are held on the Motor Insurance Database which is used by the police and other enforcement agencies to check that a vehicle is insured. The Motor Insurance Database entry for this policy and vehicle(s) has now been cancelled.”

Additionally some members have also decided to also add “Your vehicle is now at risk of being seized”.

**Motor Panel Advice**

Information relevant to Members and consumers is regularly posted on the BIBA website. Recent articles include:

- Important Developments with the Motor Insurers’ Bureau, the Motor Insurance Database and the fight against uninsured driving
- ‘The Broker’, issue 30 – Potential impact of Telematics
- ‘The Broker’, issue 31 – Haulage contractors
- ‘The Broker’, issue 32 – Putting the brakes on uninsured driving
- Digests of the Motor Panel meetings are issued every quarter
Other issues

Besides those highlighted above, the Motor Panel has, amongst others, also been involved in the following issues:

- The possibility of the MID becoming proof of insurance
- Combating motor insurance fraud, in particular the broker’s role
- Access to insurance for young and elderly drivers
- DfT Consultation on international cooperation on driving disqualifications
- Compulsory insurance requirements for trailers
- Software systems development and EDI
- Development and launch in conjunction with the MIB of www.askmid.com
- Class of use for voluntary workers
- Misfuelling
- DVLA consultation on the trial of smart card provisional driving licences
- Home Office Review of Statutory Charges for the Removal, Storage and Disposal of Vehicles
- HM Treasury Consultation on the publication of data associated with the use of gender in the assessment on insurance risks
- Greencards Romania & Bulgaria
- Contributed key issues to the BIBA manifesto
- Driving other Cars extension
- Inevitable accident
- Liaison meetings with the ABI, the VSIB, the LMA and the DVLA

If you have any issues regarding motor insurance or motor related issues, you can submit these to the BIBA Motor Panel via Graeme Trudgill, BIBA’s Technical and Corporate Affairs Executive on 02073970218 or trudgillg@biba.org.uk.

BIBA would like to thank the following technical committee members for their invaluable input:

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