Motor insurance market encouraged to sign up to ‘MyLicence’ to reduce fraud and improve policy applications

Motor insurers, brokers, comparison websites and software providers are being encouraged to adopt the ‘MyLicence’ brand to enable them to get DVLA data on motoring convictions and penalty points when providing motor insurance quotes.

The brand has been developed to help promote the initiative that will enable the industry to get driver licence data from the DVLA when a person applies for motor insurance. The industry, through the ABI and the Motor Insurers’ Bureau (MIB) has worked jointly with the DVLA and the Department for Transport to develop the data sharing programme that is due to go live during the second quarter of 2014, with industry testing starting in February 2014.

An industry hub, managed by the MIB, is being developed and will enable the motor insurance market to securely obtain the driver data from the DVLA, with the aim of improving the pricing of premiums against accurate driver information and reducing fraud. The MIB will work with participants using the hub to ensure they comply with the technical standards and have adequate security and data protection safeguards in place.

The ability to use driving licence information will bring clear and immediate benefits for participants through:

- Significant cost savings through better identifying fraudulent non-disclosure, and reducing the need to obtain paper copies of licences from policyholders. Data matching with the DVLA showed that up to 23% of
motorists fail to accurately disclose their driving record, including disqualifications.

- Quicker settlement of claims by checking at the application stage, instead of, as at present, asking the policyholder at point of any claim.

- More accurate risk-pricing, ensuring premiums reflect correct driving record.

Keith Morris, chair of the IIADD Programme Board, and Chief Executive, Sabre Insurance, said:

“Getting driver data from the DVLA will be transformational for motor insurers. The financial benefits from more efficient administration and fewer fraudulent applications will be of huge benefit to insurers and brokers, and those firms that are early adopters will gain a real advantage over their competitors in what is an extremely competitive market. The key challenge for all insurers right now is to make sure they are able to be one of those early adopters.”

Ashton West, Chief Executive, of MIB and IIADD Project Executive, said:

“By displaying the MyLicence logo on websites, notices to policyholders and promotional material for new customers, the motor insurance industry will help to build recognition for this important initiative. Customers will begin to understand that they need to provide their driver licence number to get a quote.

“To get the DVLA data, every broker, insurer and price comparison website will need to use the hub. This is supported by a range of standards and governance, and should give the public assurance that their data is being gathered securely and appropriately.”
“Some of the industry’s leading software houses, price comparison sites and brokers are already gearing up and preparing their systems to link to the hub early in the New Year.”

John O’Roarke, Managing Director, General Insurance at LV=, said:

“My Licence offers clear benefits to the industry and honest customers alike. Insurers will be better equipped to identify fraud, accurately price risk, speed up applications and improve administrative efficiency. Using My Licence will enable insurers, brokers and comparison websites to achieve real savings that can be passed on to customers and to improve customer service”.

- Ends –

Notes for Editors

1. Enquiries to:

   ABI -Malcolm Tarling 020 7216 7410 Mobile: 07776 147 667
   MIB – Shavaun Glenn 01908 82 1985. Mobile: 07595 and sglen@mib.org.uk

2. For enquiries about linking to the hub to access DVLA data: IIADD@mib.org.uk.

3. For information and guidelines on the MyLicence brand: www.abi.org.uk

4. The ABI is the voice of the UK’s insurance, investment and long-term savings industry. It has over 300 members, which together account for around 90% of premiums in the UK domestic market.

   The ABI’s role is to:
   - Be the voice of the UK insurance industry, leading debate and speaking up for insurers.
- Represent the UK insurance industry to government, regulators and policy makers in the UK, EU and internationally, driving effective public policy and regulation.

- Advocate high standards of customer service within the industry and provide useful information to the public about insurance.

- Promote the benefits of insurance to the government, regulators, policy makers and the public.

The UK insurance industry is the third largest in the world and the largest in Europe. It is a vital part of the UK economy, managing investments amounting to 26% of the UK’s net worth and contributing the fourth highest corporation tax of any sector. Employing over 290,000 people in the UK alone, the insurance industry is also one of this country’s major exporters, with 28% of its net premium income coming from overseas business.

Insurance and businesses protect themselves against the everyday risks they face, enabling people to own their own homes, travel overseas, provide for a financially secure future and run businesses. Insurance underpins a healthy and prosperous society, enabling businesses and individuals to thrive, safe in the knowledge that problems can be handled and risks carefully managed. Every day, our members pay out £147 million in benefits to pensioners and long-term savers as well as £60 million in general insurance claims.

5. An ISDN line is available for broadcasts.

6. More news and information from the ABI is available on our web site, www.abi.org.uk.