

Continuous Insurance Enforcement



An executive agency of the
Department for
Transport



Background

In 2004 the Government published the “Greenaway” Report which comprehensively reviewed the arrangements for compulsory motor insurance in the UK. Following widespread discussion with enforcement authorities, the insurance industry and other interested stakeholders, the review highlighted the need for key changes to be made in order to tackle the number of motorists persistently driving without insurance.

Since 2005, use of the Motor Insurance Database (MID) has enabled the police to seize more than 500 uninsured vehicles a day. It also allows the public to check their vehicle is recorded on the database by accessing www.askMID.com. The Driver and Vehicle Licensing Agency’s (DVLA) online vehicle licensing service automatically checks the MID more than 1.5 million times a month. It has taken significant energy and commitment to bring about these developments.

The Department for Transport (DfT) is now introducing the **Continuous Insurance Enforcement (CIE)** scheme to further reduce the level of uninsured driving. This new and additional compliance and enforcement approach will operate alongside the existing enforcement activity undertaken by the police. Comparison of the motor insurance and DVLA records will allow identification of potentially uninsured vehicles.

Uninsured Driving

Every year the insurance industry pays out about £500 million for claims relating to uninsured driving. This cost is passed onto all honest motorists through insurance premiums. It is estimated to increase the average cost of a motor insurance premium by £30 per annum.

Uninsured drivers are:

- 3 times more likely to have been convicted of driving without due care and attention;
- 6 times more likely to drive an unsafe vehicle;
- 9 times more likely to be involved in a road traffic collision; and
- 10 times more likely to have a drink-driving conviction.

DVLA and MIB Partnership

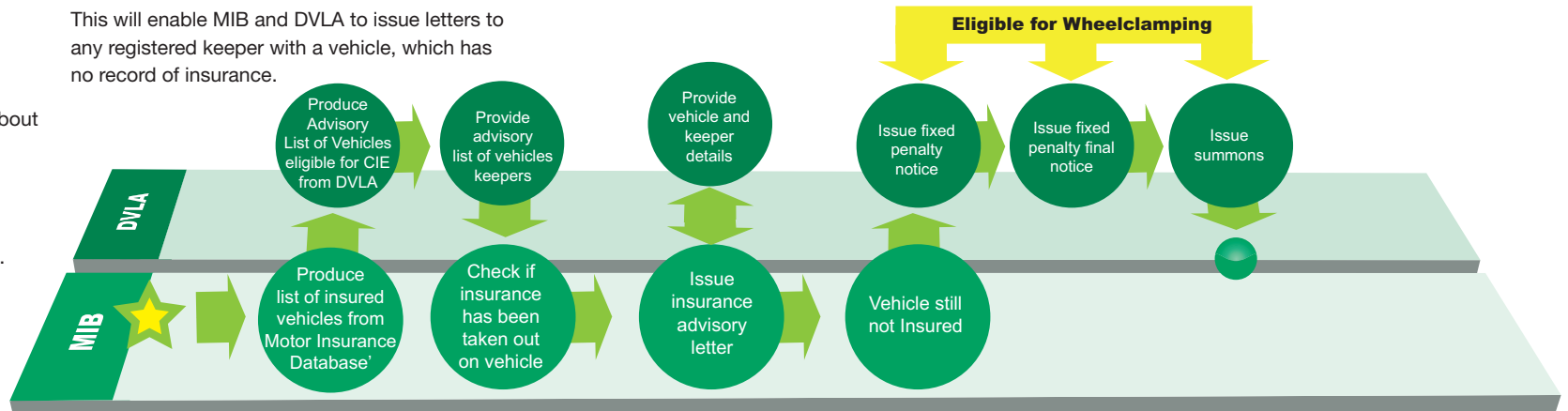
The DVLA and Motor Insurers’ Bureau (MIB) are working in partnership to identify uninsured vehicles by comparing the insurance and registered keeper records on their respective databases.

CIE Process

It is an offence to use an uninsured vehicle on the road or public place. In the future under CIE, the registered keepers of vehicles will be responsible for ensuring the vehicle is insured and will be contacted if it appears they have no insurance.

Registered keepers can check if their vehicle appears on the MID using askMID.com.

During 2010 work is being done to develop an Insurance Advisory Database which combines DVLA’s records with information from the MID. This will enable MIB and DVLA to issue letters to any registered keeper with a vehicle, which has no record of insurance.



The letters will be sent from early 2011 and will set out a series of options, ranging from:

- contacting their insurance provider to ensure the record is accurate and appears on the MID,
- updating their DVLA records,
- declaring a Statutory Off Road Notification (SORN), or
- buying insurance.

Enforcement action by DVLA will only follow if the registered keeper fails to comply with one of the actions in the letter and may include:

- receiving a £100 Fixed Penalty Notice,
- details to be uploaded to DVLA’s wheel clamping partners list, and
- possible court prosecution that carries a maximum fine of £1,000.

After the registered keeper has paid a Fixed Penalty or fine, a valid motor insurance policy will still need to be purchased if they intend to keep the vehicle but not declare SORN. If the vehicle remains uninsured as identified by the database comparison, the keeper could still, without any further warning, be subject to enforcement action.

The diagram below shows the process.

Benefits

Catching the uninsured driver is no longer something which occurs by chance. Police use of the MID together with Automatic Number Plate Recognition (ANPR) mean more and more people are being caught driving without insurance.

It is anticipated that CIE, in conjunction with continued police enforcement activity, will further reduce the level of uninsured driving on British roads by around 40%. This will help keep down the costs to responsible motorists who pay for the cost of uninsured driving through insurance premiums.

Driving without insurance is not only damaging to the UK economy but also socially unacceptable. The progress made so far in reducing the level of uninsured driving in the UK is significant. It is vital that this number keeps falling through a combination of encouragement, education and enforcement, and that no one keeps and uses a vehicle without insurance.

Publicity

Some of the issues around uninsured driving can be addressed through systemic change, others need to be tackled through long term educational and cultural change – to help everyone appreciate that insurance is something valuable, as opposed to costly.

DVLA, supported by MIB, ABI and BIBA is developing a marketing/publicity campaign to raise the profile of CIE, through public awareness initiatives on the obligation to insure a vehicle at all times. The level of publicity will increase closer to the go-live of CIE. In autumn 2010 other marketing/publicity methods such as PR and direct marketing will be explored.

MIB is committed to keeping the insurance industry informed, with guidance and regular updates, about the operational changes needed to maintain and continually improve the integrity of data recorded on the MID.

Helping Your Customers

Drivers and keepers of vehicles who want to renew or purchase insurance for the first time need to understand the legal requirement for insurance at all times. The insurance industry has a vital role to play in sharing information about the change in law.

Customers who are identified as potentially keeping a vehicle without insurance will receive a letter and will be signposted to the right organisation. Those with enquiries about the record on the MID will be directed to their insurance provider who can update and change details if required.

Those with queries about the ownership of the vehicle will be directed to DVLA.

Next steps

During 2010 and early 2011 there will be increasing communication and publicity on CIE. DfT, DVLA and MIB will communicate with particular stakeholders to increase their understanding of responsibilities under CIE.

MIB has issued action plans to all MID sponsors within insurance providers which map out the tasks and progress being made to address data integrity, time taken to supply information, as well as a range of operational changes, such as training call centre staff. These plans are by no means definitive, but provide a framework for members to look at how they can ensure they are prepared and ready for the changes in law from early 2011.

Legislation

The Road Safety Act 2006 Section 22 introduced a new offence of being the registered keeper of a vehicle that does not meet statutory insurance requirements. In 2009, the DfT undertook a public consultation on the detailed regulations needed to implement a scheme of continuous enforcement of motor insurance. Regulations will be laid during 2010 to allow enforcement from the record to take place.

Further Information

A full copy of Professor Greenaway's report can be found on www.dft.gov.uk/pgr/roads/miud/uninsureddrivingintheuka

Visit www.mib.org.uk for more information on MIB and for further details about CIE, please contact your MID Account Manager at MIB.

For more information on the DVLA and their CIE enforcement process, please contact ian.davies2@dvla.gsi.gov.uk