



“Change in Personal Injury Discount Rate is reckless”

Mike Brockman, CEO of Insure The Box urges a re-think on today’s announcement by the Lord Chancellor

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London, 27th February 2017 – In response to today’s announcement by the Lord Chancellor to cut the Discount Rate used to calculate compensation awards for serious personal injuries, Mike Brockman, CEO of telematics insurance pioneer, Insure The Box said:

“The Lord Chancellor’s announcement is reckless, naïve and has no concern for the well-being of motorists and indeed claimants. To change the discount rate to such an extent all in one go, after such a long period of stability, and regardless of changing financial markets, shows that the Government’s processes are flawed.

“Once again, the youngest drivers - who have relatively more large claims and higher premiums – will be hit hardest by this change. We estimate the Government’s action could easily increase rates by 15% or more. This seems in stark contrast to the Prime Minister’s often-quoted goal of helping those who are just trying to work and earn for their families.

“This dramatic increase in the cost of claims is in addition to recent hikes in insurance tax. In less than two years, IPT will have doubled from 6% to 12%, disproportionately affecting younger drivers. And this latest change means insurance premiums will probably rise, which could see many young motorists priced out of driving altogether. Even worse - they could consider taking the risk of driving whilst uninsured.

“While telematics insurance can work to reduce motoring premiums using smart technology, these blunt Governmental changes work to push costs up for all. Along with other insurance businesses and industry bodies, we urge the Lord Chancellor to stop and think about the real consequences of this decision.”

Ends

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Notes to Editors

Insure The Box

Insure The Box Limited launched in June 2010 with its first product; insurethebox, and is the UK's largest telematics (or black box) insurance provider, now holding over 3 billion miles of driving data and associated claims. As well as insurethebox and drive like a girl (another Insure The Box brand) it also administers other telematics offerings.

Aioi Nissay Dowa Insurance Company of Europe Limited (ANDIE), subsidiary of Aioi Nissay Dowa Insurance Company Limited and part of the major Japanese insurance group MS&AD Holdings, Inc., acquired the majority stake in Box Innovation Group Limited (which is the 100% owner of Insure The Box) in March 2015. Together they are taking a leading role in the development of technologies that will change the face of motor insurance and the way we view the car.