

Scottish Civil Justice Council

Information Gathering Exercise on Pre-Action Protocols

Response from the Motor Insurers' Bureau

1. About MIB

The Motor Insurers' Bureau, established as a not-for-profit organisation in 1946, aims to reduce the level and impact of uninsured driving. We are funded by all premium paying motorists via a levy paid by every company providing motor insurance in the UK. Over the last 10 years, approximately £3 billion in compensation has been paid by MIB.

The levy call for 2014 is £247m, down from £255m in 2013, £300m in 2012, and £354m in 2011.

Our claims handling experts manage more than 23,000 claims every year for accidents involving uninsured and untraced vehicles and seek to settle the claims for innocent people, fairly and promptly.

We manage the Motor Insurance Database (MID) which is the only central record of more than 37 million insured vehicles in the UK and receives more than 13,700 updates and changes from insurers every hour. The MID is used by the police to identify and seize vehicles being driven without insurance. Since 2005, more than 1.2 million uninsured vehicles have been seized.

We are playing an instrumental role in the operation of the Continuous Insurance Enforcement (CIE) scheme, working alongside key insurance industry bodies, the government, police and the DVLA. CIE makes it an offence to keep a vehicle without insurance.

The MIB also acts as the UK Green Card Bureau, Information Centre, and Compensation Body. In these roles we support motorists making claims after an accident with a foreign vehicle in the UK, provide information for victims abroad following accidents with UK registered vehicles and assist UK victims after an accident with a foreign vehicle in a foreign country.

2. Response

The MIB welcomes both the CJC's consultation in this area, and the idea of reform to improve the efficiency of the claims process in Scotland.

We have seen the response to this consultation from the Association of British Insurers (ABI) and agree with their comments. We invite the CJC to consider this response as containing all of the points made by the ABI. This response only deals with one area where we have additional comments to those made by the ABI.

We fully support the point made by the ABI that the CJC should adopt a streamlined process for low value claims (up to £25,000) similar to that used in England and Wales. Within that process some special rules apply in relation to the MIB and these should also be adopted by the Scottish process. In summary, the points are:

1. Time limit to investigate and respond to a claim.

In England and Wales, for motor claims within the *"Pre-Action Protocol for Low Value Personal Injury Claims in Road Traffic Accidents"*, insurers have 15 working days to respond to a claim to keep it within the process. However, MIB is allowed 30 working days in recognition of the fact that it does not have the benefit of a policyholder to report the accident to it.

MIB deals with uninsured driver cases and can only commence enquiries about a case on receipt of the claimant's claim as it would not otherwise be informed of the accident.

2. Mandatory information

Additional questions are required to be answered by a claimant in cases dealt with by MIB. A separate section is contained within the standard "Claim Notification Form" (CNF) exclusively for these cases. This additional information is essential for MIB to complete its enquiries and form a view as to whether to accept the claim within the process.

3. Admission of liability

In the England and Wales process, insurers admit liability on behalf of their policyholder by completing a simple form which is submitted to the claimant via the electronic portal. The wording of the admission for MIB is slightly different due to the fact that MIB does not act on behalf of the uninsured driver and does not normally have authority to do so.

Apart from these important differences, claims to MIB that fall within the Protocol are dealt with in the same way as those dealt with by insurers, enabling claimants to benefit from the speed and low cost process. We fully support the ABI in encouraging the Scottish CJC to adopt a similar process.

If further information is required about any of the points mentioned above, or any other matters in connection with MIB claims, please contact us and we will be happy to assist further.