



Fitness for Purpose 2006

Together We Can Beat Uninsured Driving

Policyholder Q&As

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Legislative Background

1. What is this Fourth Directive anyway?

The Directive is aimed at improving the settlement of cross-border motor claims amongst EU citizens. A full guide can be found on the [MIIC website](#). The MIIC have implemented only that element of the Directive which relates to tracing insurers from registration numbers.

2. Where can I find the legislation?

The Motor Vehicles (Compulsory Insurance) (Information Centre & Compensation Body) Regulations 2003, published on 17 January 2003, can be found at <http://www.opsi.gov.uk/si/si2003/20030037.htm>

3. Do we have to record every single vehicle?

Other than as indicated by the response to question 10, yes.

4. My policy is “specified”, not “open cover”. Does that mean I don’t have to do anything?

Under a specified policy your insurer obliges you to notify vehicles in order for them to be insured. You should therefore continue to do this in the normal way – the new Regulations do not change the position. However, your insurer may ask you to do this by a different method, such as the MID Update website. If you do not notify vehicles you will not be contravening the Motor Vehicles (Compulsory Insurance) (Information Centre & Compensation Body) Regulations 2003, but, more seriously, you are probably uninsured.

5. What are self-insured companies doing – do they have to submit data too?

“Self-insured” companies, i.e. depositors under section 144 of the Road Traffic Act, and those covered by security-givers, will have to submit “policy” and vehicle data in the same way as an insurer. Any such companies should contact the MIIC to discuss how data might be captured on MID.

Companies with underlying insurance, but who manage all their own claims – often up to an agreed level – and consider themselves “self-insured” must submit their vehicle data like all other fleet operators. You should ask your insurer how this is being done.

6. Who can see my data?

The Motor Insurance Database was originally developed as an aid to combating uninsured driving (see http://www.miic.org.uk/public/mid_miic.htm on this website). Police have access to all the insurance details in order to make roadside checks on drivers. This is separate from the Fourth Directive, and use by the

Police is governed by the Motor Vehicles (Third Party Risks) Regulations 1972. This should assist drivers of your vehicles, since the presence of the vehicles on the MID should reduce the need to present documents at a Police station.

Insurers and their agents have access to the MID for claims handling purposes, as does the MIB. The DVLA and DVLNI have access to the MID as part of their on-line taxation service. Under the fourth directive and the UK implementing regulations, victims of accidents with a UK vehicle can enquire with MIIC to identify whether the vehicle is insured and with which insurer. Solicitors are able to make this enquiry online to the MIIC on behalf of their clients, and other enquirers can submit their query in writing to the MIIC.

7. If the Police can't find a vehicle, will I be charged with a criminal offence?

If a vehicle is not on the MID it does not necessarily mean it is uninsured, although the Police will clearly wish to make further enquiries and may ask to see proof of insurance. However, it is possible that the policyholder is guilty of non-notification, which can lead to prosecution for that offence (see question 23).

Data Requirements

8. The Regulations say I must register vehicles "immediately". What if I can't do this for some reason?

DfT has expressed the view that the requirement to supply data "immediately" would be interpreted by the courts as "the time taken by a person using reasonable efforts". "Reasonable efforts" would vary from case to case, but an acceptable range would typically be 10-14 days. However, where systems are in place that would allow updates more frequently or more quickly (e.g. a weekly automated program), then the expectation would be that this timescale would be adhered to.

9. My fleets include unregistered vehicles not designed for road use – do I have to include them?

The Regulations only relate to registered vehicles, so there is no requirement for such vehicles to appear on the MID. Some insurers will, however, insist on these vehicles being notified to them for other reasons. Policyholders should be aware that it is not always possible to enter these vehicles on to the MID via the MID Update web site because they do not use standard registration format, but many insurers will accept this information via their own collection mechanisms.

10. What about Temporary Additional Vehicles (TAVs)?

The Regulations exempt vehicles on cover for 14 days or fewer from the requirement to notify insurers. **However**, policyholders must keep records of these “excepted vehicles” and be prepared to provide information to the information centre on request.

In the event of a claim relating to a TAV it will be up to the insurer identified by a MID search to liaise with his/ her policyholder to trace the lessee – and his/ her insurer – on that day, if the vehicle was temporarily insured elsewhere, and inform MIIC. This must be done rapidly or the insurer first identified will have to handle the claim.

11. If both hirer and “hiree” add a vehicle to MID, won't there be a problem?

The MID is designed to accept duplicate vehicles as long as they are on different policies, and the record will not be rejected. Policyholders who have contingency policies for vehicles which they hire out should not remove vehicles from the MID during periods of temporary hire unless the period is very long, e.g. 3 months..

When the Police or other insurers enquire on the MID, the most recent record in force for that vehicle on the date is provided to them. Therefore if Kwikhire Rentals put a vehicle on cover from 1 July 2005 to 30 June 2006, and Billy's Bakers hire one of them in January 2006, and add it to MID, Billy's Bakers' insurance will appear first.

12. Do motor traders have to submit all the vehicles passing through their hands?

All taxed vehicles in the custody of control of motor traders for 15 days or more, for whatever reason, must be notified to the MID.

In the case of untaxed vehicles, the registration number to be supplied by the user will be the trade plate. All trade plates should be notified.

13. What about stock vehicles which are never driven on the road?

If a vehicle is never driven in a public place it does not need to be notified.

14. We need special arrangements for some security-related vehicles – what can we do?

A special guidance note is available on this, which can be obtained from MIIC. If further information is required, please contact MIIC on 08702 416732.

15. Do we have to load foreign-registered vehicles insured on a cross-border basis?

If you use vehicles which are registered, and normally based in other EU countries then they fall under the arrangements for the country concerned. Many other EU countries are setting up, or already have, databases of their own, and you may be required to provide insurance data to their databases. This should be taken up with the authorities in the country concerned. Non-UK vehicles should not be loaded to the MID.

16. Are Local Authorities exempt from the requirements of the MID?

No. Although the Directive exempts Crown vehicles from certain requirements, the UK Government expects these to be included on the MID whether they are commercially insured or not. Insurers will notify Local Authority customers of what they should do. Any Local Authority which is not commercially insured should contact the MIIC immediately to find out how their vehicles can be added to the MID.

Legal Implications Of The Requirement To Notify Vehicles

17. Does this mean that we can't have unspecified certificates any more?

The MID does not change the law on liability or coverage. Blanket fleet policies – or policies with some vehicles identified separately, or for certain drivers only – are still permitted and there is no obligation to issue specified certificates.

18. Will my insurer refuse to pay claims if vehicles aren't on the MID?

The MID does not change the law on liability or coverage, or the terms of the policy. Third party claims will always have to be paid. However, most insurers have made vehicle notification a condition of the policy, and there may therefore be a penalty, including potentially not paying own damage claims, if this is not done, especially if non-notification is persistent. You should examine the terms of your policy. This is a matter between you and your insurer, and you should discuss with them what the position will be if a vehicle involved in an accident is not found on the MID.

Supplying Data To The MID

19. Who will give me access to the MID?

Please note that not all insurers use the MID Update site to collect data, so you should consult your own insurer before doing anything. A list of most insurer approaches can be found on the MID website at http://www.miic.org.uk/fleet/submission_routes.htm. Ultimately it is for insurers to authorise access to policies – MIIC does not have the authority or access to do this. Insurers will issue the appropriate security

access requirements needed by individuals granted access to the MID. Please contact your insurer for information.

20. Can I search for vehicles on the MID?

If you need information from the MID for claims handling purposes you should discuss this with your insurer.

21. I don't have Internet access. What should I do?

Not all insurers require data via the Internet. You should discuss with your insurer how you will need to submit data, and whether they will assist you if you do not have Internet access.

We believe that Internet access is the most straightforward and cost-effective means of data submission and that the majority of companies who have fleets of any size will be able to use this route. You can do this from any Internet PC, whether at home or in your local library or Internet café. MIB does not offer up any alternative central data collection centre, but some non-insurer organisations offer a service for policyholders who find themselves in this situation. Your broker may be able to advise you.

22. My insurer/broker is trying to charge me for data supply. Surely they can't do this?

If you supply data yourself using the method specified by your insurer there will be no charge. However, if you ask to use a different, less cost-effective method, insurers may charge to cover the added cost. The DfT believe that it is reasonable for insurers to insist data is supplied by a certain means as one of their policy conditions. In accepting the insurance contract, a policyholder is accepting that means of supply.

If your broker, or another third party, is supplying the data on your behalf, any charge for that service will be in accordance with the contract you have with that party.

Compliance

23. What are the penalties for non-compliance?

Non-compliance with the Regulations is a criminal offence. The maximum possible penalty for not submitting data, or not responding to a request from the information centre, is a fine of £5000

24. How long do I have to keep my records?

The Directive requires Member States to ensure that information centres have access to information on insurers of vehicles for seven years after the expiry of the policy. Therefore the Regulations place a seven-year requirement on insurers and policyholders, as providers of data.

DfT has confirmed that it is acceptable for insurers (or policyholders) to fulfil this obligation by arranging for a third party, such as MIIC, to hold the data for this period. In the case of data supplied to the MID, retention on MID for seven years would therefore fulfil the requirement.

However, it should be noted that the legal obligation will still remain with the party required to hold the data, and in the event of failure on the part of MIIC, in the absence of an explicit agreement to the contrary, the insurer or policyholder would be liable for any penalties arising from the non-compliance.

Policyholders have no agreement with MIIC in respect of the supply of his/ her data. Although clearly it is MIIC's intention to hold all data for seven years and back-up and recovery procedures are in place to ensure no data is lost, it has no obligation towards policyholders in this respect.

Policyholders should further note that where data is not supplied to MID, the seven- year obligation would unequivocally apply to them (e.g. for "excepted vehicles").

25. Can I get someone else to submit the data for me?

There is nothing to stop policyholders using an agent, such as a broker, to fulfil their legal responsibilities to send data to his/ her insurer or the MID direct, although they will need to have a suitable agreement to ensure that this is watertight. It is a matter for policyholders to enter into such agreements.

26. Is this compatible with the Data Protection Act?

The MID can only be used for very limited purposes, and its operation is compliant with the data protection legislation. No-one but MIIC, the Police, authorised solicitors, the relevant insurer, DVLA and the policyholder can access the data on the MID, and then only in strictly controlled circumstances. The MIIC is able to make enquiries of the MID under the Data Protection Act to answer Data Subject Access requests from enquirers. Only data about the requesting subject will be provided.

To ensure fair processing of data under the Data Protection Act 1998, living individuals should be informed that his/ her personal details are being held on the MID, that these may be searched by insurers, authorised solicitors, the Police, DVLA and the MIIC, and the purposes for which these searches will be made. Since named drivers may be recorded on the MID MIIC has recommended a wording to address this be incorporated into policies (or notified by separate notice). Fleet owners should make sure that their named drivers are aware of this.

27. Will MIIC give the policyholder's details to enquirers?

MIIC is only required to give an enquirer the details of a claims representative for the insurer responsible for handling a claim. Details of registered keepers, policyholders and drivers will only be provided where the enquirer has a legitimate need for this information; this would not be done in the normal course of events where a claim was dealt with by the insurer concerned.



Policyholder Q&As

In cases where a policyholder disputes liability for, or involvement in, an accident, registered keeper or policyholder details for the vehicle in question may be provided to the claimant, to enable them to pursue his/ her claim, where it appears to be valid.