

The 4th EU Directive

Uninsured drivers currently cost UK motorists over £500m a year, and this figure is likely to increase. The UK has one of the worst records in Western Europe, with an estimated one in twenty, or 5% of all vehicles being driven with insufficient or no insurance cover. The insurance industry makes up the loss, but the real victims are the honest motorists whose insurance premiums subsidise the cheats.

January 20 2003, saw the introduction of the 4th EU Motor Insurance Directive. The key objective of the directive is to improve the ease with which cross border claims in Europe can be handled. The Directive requires all insurers of UK vehicles to be readily identifiable by an Information Centre using only a registration number. In the UK this is called the Motor Insurers Information Centre (MIIC), and was established by the insurance industry in 2000, to develop and manage the Motor Insurance Database (MID). The goal of the MID is to hold information on every insured vehicle in the UK by January 20 2003.

Using the MID, police forces throughout the country can carry out 'spot checks' to establish if motorists are insured or not. This should reduce, and hopefully eradicate uninsured driving in the UK. From a business perspective this will contribute towards a reduction in the percentage of every premium which currently goes towards meeting the cost of uninsured driving.

Further, from early 2011 a new law makes it an offence to be the registered keeper of a vehicle which may not be covered by insurance following a check against the Motor Insurers Database, even if the vehicle is NOT DRIVEN ON THE ROAD.

Following comparison of the MID and DVLA records, registered keepers suspected to be without insurance will receive a letter and given the following options:

- contact their insurance provider to ensure registration on the MID is accurate.
- Update their DVLA record.
- Declare vehicle SORN (statutory off-road notice).
- Buy insurance.

Enforcement will only follow if the keeper fails to comply with one of the above and will result in:

- an initial fixed penalty fine of £100.
- Their vehicle being clamped, seized and disposed of.
- Possible court prosecution which carries a maximum fine of £1000.

To ensure that the database is always updated, it is important that we are informed immediately of any vehicle changes, permanent or temporary, in order that we may inform your insurers, who will in turn update the Database on your behalf.

What you need to do

- Changes must be noted on the Database within 14 days of the change. You should therefore advise us immediately when any vehicles are required or disposed of. Motor Traders should also notify trade plates.

The vehicle details we need: Vehicle type, make, model, engine capacity or gross vehicle weight, registration, value, date added or deleted. Update the database within 14 days of the change if you have been previously advised your insurers require this. (You will have instructions, a password and the database internet address if this applies to you.)

- Vehicles held for less than 15 days do not have to be notified on the database, but we will still need the details for your Insurer.
- Keep your own record of all vehicles you own for less than 15 days, for a period of at least seven years. These may be requested by the Motor Insurer's Information Centre.

Penalties for non-compliance

For failing to maintain or supply information for the purposes of the Regulations you will be guilty of an offence and will be liable on summary conviction to a fine of up to £5,000 for each offence.