



EMBARGO UNTIL : 00.01AM TUESDAY 23 FEBRUARY 2010

UK DRIVERS HAVE SOME FRONT – 1 IN 5 YOUNG DRIVERS ADMIT TO FRAUD

MIB and Aviva urge drivers to ensure they are adequately insured

New research from the Motor Insurers' Bureau (MIB) and Aviva reveals that more than two-thirds (70%) of UK drivers do not understand what it means to 'front' an insurance policy and of those that understand what fronting is, one in five young drivers (17-25 years old) admitted to currently, or previously, misleading their insurer and committing this kind of motor insurance fraud.

Insurance 'Fronting' occurs when someone other than the main driver of a vehicle is incorrectly declared as the policy holder. An example of this would be a parent insuring a car and declaring themselves as the main driver in order to reduce the insurance premium, when in fact their son or daughter will be the main user of the vehicle. By doing this, motorists are committing fraud and under contract terms, could invalidate an insurance policy.

The research, which forms part of MIB's Stay Insured campaign and is aimed at drivers who may be vulnerable to driving without adequate insurance during the recession, also indicates that there is a disconnect between drivers' perceptions of fronting as a "white lie" versus the reality of it as a legal offence:

- More than a third (35%) of drivers justify 'fronting' as being a loophole in the law
- One in ten (10%) believe that 'fronting' is a legitimate way of obtaining cheaper motor insurance
- And only a third (30%) of motorists were able to correctly define the term 'fronting'
- When presented with a definition of the term fronting 94% of those surveyed deem fronting an insurance policy to be socially unacceptable.



Ashton West, Chief Executive of MIB said, “There is a significant degree of confusion amongst drivers about the importance of giving accurate information about the main driver to an insurer. There is a need to help drivers understand and appreciate the importance of being adequately insured.”

A costly “white lie”

The research also highlights confusion over responsibility for damages in the event of an accident. Under a valid insurance policy, the insurer will cover the policyholder’s liability for injury and property damage for any other parties involved and if the cover is comprehensive, the damage to the policyholder’s own vehicle. However, a third (31%) of drivers wrongly assume that they will be covered if the policy is ‘fronted’. In fact, where it is proven that a policy has been ‘fronted’, insurance companies can refuse to pay out damages to the “insured” vehicle and may look to recover third party claim costs from the policyholder or driver.

West continues, “Insurance is about peace of mind and knowing that the cost of your liability on the road is covered. In the event that the driver of a fronted policy is involved in an accident, both the policyholder and the driver could be open to additional costs, penalties, fines and - potentially – prosecution. It simply isn’t worth the risk. There are a number of hints and advice about how to stay insured legitimately at www.askMID.com.”

Nigel Bartram, motoring strategist at Aviva added, “Young drivers remain the age group with the highest proportion of insurance claims, accidents and fatalities on our roads, and this fact is reflected in their motor insurance premiums. Well meaning parents may consider fronting an insurance policy to try and save money, but this is false economy as those that try to cheat the system by declaring false information will find that their insurance is invalid when they actually need to make a claim on their policy.

“When parents are fronting up a young driver’s policy it means the young driver is not fully declared and will not be able to accrue any no claims bonus of their own. It is important that insurers are covering the appropriate risk with the correct premium; otherwise this premium will have to be borne by other, honest customers.”

Aviva’s top tips for reducing premiums:

- Choose wisely – a smaller engine vehicle without modifications means lower premiums
- Think safety – parking in a garage at night and fitting alarms and immobilisers will help drive down costs



- No claims quickies – some insurers offer rapid bonus schemes that let young drivers earn a full year's no claims bonus in as little as six months
- Be online savvy – many insurers offer a discount if you buy directly with them online
- Keep it brief – if you use the car infrequently, agreeing to a mileage limit can help keep premiums down
- Pass Plus – Pass Plus www.passplus.org.uk is a training course for new drivers designed by the Driving Standards Agency in consultation with the industry. There's no final exam to pass but drivers could get up to 10% off their insurance if they take the course.

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Notes to editors

All figures, unless otherwise stated, are from YouGov Plc. Total sample size was 2, 342 adults. Fieldwork was undertaken between 26th - 29th December 2009. The survey was carried out online. The figures have been weighted and are representative of all UK adults (aged 16+).

About MIB

Motor Insurers' Bureau aims to significantly reduce the level and impact of uninsured driving in the UK. The Bureau exists to compensate victims involved in accidents with drivers who have no insurance or failed to stop. The total cost of uninsured motoring in the UK is estimated to be around £500 million and MIB is funded through a levy on all companies offering insurance in the UK, the cost of which is estimated to be around £30 per year on each policy for law-abiding motorists. MIB also manages the Motor Insurance Database (www.askMID.com), the only central record of all insured vehicles in the UK, currently holding details for circa 35 million vehicles.

About Aviva

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INVESTOR IN PEOPLE

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In the UK, Aviva is a leading provider of life, pensions, investment, general insurance and health products to more than 20 million customers. Aviva also provides roadside assistance through RAC. Products are distributed through a number of channels including IFAs, brokers, corporate partners and direct to customers via the internet.

Aviva's UK Insurance business has a market share of around 15%, making it the largest general insurer in the UK. The business is focused on insurance for individuals and small businesses.

Aviva's life and pensions business in the UK has a total market share of 12% and a top three position in its key markets of savings, protection, and annuities.

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