
Motor Insurers' Bureau

Member Application Guide and Supporting Information

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Important Notes

The Motor Insurers' Bureau does NOT carry out any solvency check. This is the responsibility of the relevant regulatory authority to which the Provisional Membership letter relates.

The Motor Insurers' Bureau is a company limited by Guarantee registered in England and Wales under company number 412787 whose registered office is at Linford Wood House, 6-12 Capital Drive, Milton Keynes, MK14 6XT.

If you require any further information, please contact the MIB on **01908 830 001** and ask to speak with the Executive Support Department.

Why become a member of the MIB?

If your company wishes to start underwriting compulsory motor insurance in the United Kingdom, your company is obliged by virtue of the Road Traffic Act 1988, to be a member of MIB and to contribute to its funding.

MIB was established in 1946 to compensate the victims of negligent uninsured and untraced motorists.

What does my company need to provide to become a member of the MIB?

The following items are required:

- **Completed MIB Member Application Form**

The application form requests member company and contact information required to update the MIB Members Database.

Confirmation of UK Agent (Companies outside of the UK – Details of Agents used)

For all companies located outside of the UK, the place of supply must be identified in order for the correct amount of VAT to be charged.

The use of an agent in the UK to act on your company's behalf will cause the place of supply to be where the agent belongs, and if the agent is in the UK, the supply will be deemed to have to been made in the UK, thus leaving the supply applicable to UK VAT.

An agent is defined as a company / firm acting on your behalf for all claims handling or other significant areas of your business.

- **Completed MIB Levy Return Form**

Your levy calculation will be collected in monthly instalments from your effective membership date.

Initial levy payments will be based upon the estimated first year's gross written premium income detailed in your completed MIB Levy Return Form and supported by your business plan. Adjustments will be made as necessary, the following year.

As part of the overall market wide process, your company will be contacted by the MIB Accounts Team on an annual basis each March and requested to complete and return a further MIB Levy Return form.

The premium income information that is submitted will be used to calculate the overall market levy plus your company's individual levy charges incorporating any adjustments from the previous year.

Your company will be notified of the revised levy each June with new charges effective from July each year. Further details of the levy calculations can be found in the MIB Levy Guidelines document.

- **Completed MID Insurer Suitability Document**

This document is a questionnaire to understand how your company intends to submit data to the Motor Insurance Database (MID) and also what type of business i.e private (MID1) or Fleet /Motor Trade (MID2).

Members must satisfy the requirements of Article 76 (1) to demonstrate capacity to satisfy data quality criteria for the MID. Applicants will be contacted by the MID Services Department prior to becoming MIB members to ensure that they are aware of their obligations for data provision to the MID.

If you require any further information regarding MID Compliance, please contact MIB on **01908 830 001** and ask to speak with the MID Services Department.

- **Membership Joining Fee**

A non-returnable fee of **£2,000** for processing this application is required. The application will not proceed until payment has been made in full and cleared in our bank account.

A sterling cheque or sterling banker's draft (drawn on a UK Bank) can be attached to the application form. Alternatively, should you wish to make payment (in sterling) via the banking system, please contact MIB on:

01908 830 001 and ask to speak with the Finance Account Manager.

Important: Payment must be made without reduction for transmission, or other agency charges.

- **FSA or other Regulatory Authority Certificate**

Please refer to the FSA/Regulatory Authorisation section later in this document for further detail and clarification of the certification requirements.

MIB will, in all cases, approach the FSA or Regulatory Authority to confirm the details supplied by the applicant.



If your company is currently seeking authorisation from a Regulatory Authority, MIB can provide your company with a provisional membership letter. The provisional membership letter is for the purpose of the company's application only to the Regulatory Authority for a licence to trade and does not authorise the applicant company to underwrite motor business in any territory.

- **Company Annual Report & Accounts***

A copy of the latest audited accounts.

* New companies are exempt from this requirement

- **Company Business Plan**

In order for our Accounts team to calculate your monthly levy payment, your company business plan, as provided to the regulator, is required to support the information detailed in the completed MIB Levy Return form.

How long will it take to become a member of the MIB?

Full membership can be issued upon receipt of all required items as detailed in the previous section of this document.

Membership normally takes, on average, three months from initial enquiry stage to full membership.

Your company can begin underwriting motor business from the MIB membership certificate date. However, the set up of your supply of data to MID can only be completed once your MIB membership certificate has been issued.

Therefore if you intend to underwrite motor business immediately and cannot supply data to MID you are putting your policyholders at risk of having their vehicle seized by the Police. The MID set up can take anything from 2 months -12 months depending on how ready your operating systems are to supply data and how quickly the testing process can be completed and signed off by MIB and Experian.

If you require any further information regarding MID Compliance, please contact MIB on **01908 830 001** and ask to speak with the MID Services Department.

What happens at full membership?

The following documentation will be issued upon certification of full membership:

- **MIB Full Membership Certificate**

The Full Membership Certificate is issued by MIB showing the date from which the new member can underwrite motor insurance business in the relevant territories.

- **MIB Report & Accounts**

- **MIB Levy Leaflet**

This document contains information on the current annual Levy.

- **MIB Memorandum and Articles of Association**

This document details MIB's obligations to its members and members' obligations with regard to levy payments. Key points can be found later in this document.

- **MIB Members' List**

This list details all current MIB Members.

- **MIB Participating Insurers' Agreement**

Members are required to sign 3 copies of the Participating Insurers' Agreement (PIA) and return to MIB as soon as possible.

The PIA is a contract between MIB, the insurer and [Experian](#) with regards to supplying data to the MID. Experian are the current Service providers for MIB. The PIA explains what each participant in the agreement will do with regards to supplying data to MID.

- **MIB Latest Newsletters**

- **MIB Secure Website Information to the company Claims contact**

The company Claims contact will be sent an e-mail detailing access and password information for the secure area of the MIB website.

The Claims contact will be able to download meeting information and agreements from the secure area.

- **Green Card & Cross Border Claims Reference**

As MIB is the Green Card Bureau for the UK, your company will be supplied with a reference number for the issue of Green Cards.

A green card is an international insurance certificate, proving that the third party cover required by law is in force. Details of signatory countries can be found under the [Cross Border section](#) of the MIB website.

Which FSA/Regulatory Authorisation is right for my company?

1. Jurisdiction of MIB

The jurisdiction of MIB via the FSA (Insurance Directorate) extends to:

- England and Wales
- Scotland
- Northern Ireland

The jurisdiction of MIB through agreement with the relevant local regulator extends to:

- Gibraltar
- The Channel Islands
- The Isle of Man

Insurers underwriting motor vehicle liability insurance business in the above jurisdictions will be required to join the MIB.

If you wish to underwrite motor vehicle liability insurance business in Gibraltar and are not established in any other EEA State, the appropriate application for permission will need to be made to the relevant local regulator in Gibraltar. Insurers already established in Gibraltar looking to set up a branch or provide cross border services in the UK to carry on motor vehicle liability insurance business will be regarded as an EEA State and should follow the procedures set out at 3 below.

If you wish to underwrite motor vehicle liability insurance business in the Channel Islands or the Isle of Man, authority is granted separately from UK statutory authorities and the European Single Market Directives do not apply and the relevant local regulator should be consulted accordingly. Insurers established in either of these jurisdictions looking to underwrite motor vehicle liability insurance business in the UK should follow the procedures set out at 4 below for firms outside the European Economic Area.

2. Established UK Organisations

Applicants with their head office in the UK and with permission to carry on motor vehicle liability insurance business in the UK must enclose a copy of their original FSA certificate of authorisation with their application form.

3. European Economic Area Firms looking to establish a branch in the UK or provide cross border services in the UK

Insurers that are regulated in any other EEA member state outside the UK must apply to the regulator in their Home State for permission to conduct business in the UK. If an insurer whose head office is situated in an EEA State and is opening a branch in the UK, or looking to provide cross-border services in the UK to carry on motor vehicle liability insurance business, then the EEA Insurer applicant must provide a copy of the original consent / regulator's notice from the EEA Insurers' Home State regulator confirming that the regulator consents to the establishment of the branch or provision

of cross border services extending into the UK setting out the activities to which the consent relates.

The EEA Insurer applicant must also provide (within due course) a copy of the original notice from the FSA to the Home State regulator / EEA Insurer providing notice of the rules which fall within the FSA's remit in respect of the EEA Insurer applicant.

In the case of an application from the branch of an EEA Insurer with the head office established in another EEA State, the EEA Insurer applicant is required to enclose copies of the original certificates and notices of both the head office and the branch.

Example: If a French company wishes to underwrite motor vehicle liability insurance business in the UK and is owned by a German company, certification for both French and German companies would be required to complete membership.

All certificates and notices must be presented in their original language and accompanied by a notarised English translation in order that the application may proceed.

Insurers intending to provide services in the UK must also provide details of their UK based Claims Representative.

4. Firms outside the European Economic Area

If the applicant is not established in any EEA State (Their head office is outside the EEA and the applicant has no other establishment within the EEA and no EEA Passport Rights), the applicant must obtain the appropriate authorisation to effect and carry out motor vehicle liability insurance business in the UK from the FSA before applying for MIB membership. The applicant should provide the MIB with a copy of their original FSA certificate of authorisation.

* Further clarification of terms used in this guidance can be found in the [FSA Handbook](#).



If your company is currently seeking authorisation from a Regulatory Authority, MIB can provide your company with a provisional membership letter. The provisional membership letter is for the purpose of the company's application only to the Regulatory Authority for a licence to trade and does not authorise the applicant company to underwrite motor business in any territory.

What correspondence can my company expect to receive from MIB?

Within the MIB Application form, three company contacts are requested by the MIB. The following information details the correspondence each contact can expect to receive from MIB:

Correspondence	Contact	When?
RTA (Road Traffic Act) Survey Completion	CEO/Levy	February, Annually
Levy Return Form Completion	Levy	March, Annually
Technical Committee Information	Claims	May, Annually
Annual General Meeting Information	CEO	May, Annually
Annual Levy adjustment 1 (Annual Levy notification for your company)	Levy	June, Annually
Annual Levy notification for market	CEO/Levy	September, Annually
Annual Levy adjustment 2 (to allow for any incorrect returns)	Levy	December, Annually
Annual Levy Notification of figures for following year	Levy	December, Annually
Council of Bureaux Notifications	Claims	Ad hoc
Training Opportunities/Information	Claims	Ad hoc

What if our company information changes?

If any contact or company information changes, you are required to notify MIB as soon as possible.

MIB require a company claims contact at all times. If a claims contact leaves the company for any reason MIB must be notified immediately and informed of the replacement.

In the event that your company trading name has changed, you are required to notify MIB as soon as possible. If your company registration number has also changed, you may be required to re-apply for full membership of MIB.

Your company will be contacted by the MIB Executive Support Department to confirm the new information and issue a new MIB Full Membership Certificate.

What if my company wishes to cease underwriting motor business?

If your company has decided to cease underwriting motor business, the MIB must be instructed in writing immediately.

Your company will then enter a period of 'run off' with the MIB. The run off period will cover the next 12 months of which MIB will continue to collect your monthly levy payments.

The CEO and Levy contact of your company will be contacted by the MIB in writing to confirm receipt of the cease notification. Your company will have the option to either remain a 'Non-Voting' member of the MIB or cease membership entirely.

Remaining a 'Non-Voting' member of the MIB is suggested in cases where there is a high possibility your company may recommence underwriting motor business and therefore remain authorised to do so.

As a 'Non-Voting' member your company is obligated to complete an MIB Levy Return form on an annual basis even though your company will submit a nil return each year. MIB will contact your company to obtain the completed levy return form.

Key points of the MIB Memorandum and Articles of Association

The notes below provide a quick guide to the Memorandum and Articles of Association.

Structure of MIB

MIB is a company limited by guarantee as set out within the Memorandum and Articles of Association.

Articles of Association

These set out the rules and procedures governing MIB. Clauses of particular relevance are:

- **Article 15 - Basis of Levy**

This states how MIB is funded and the apportionment made between Members and Article 15(8b) states MIB is entitled to request compensation for late or incorrect levy returns.

- **Article 16 - Commencement and Cessation Levy Provisions**

This article deals with payments due for the first year of trading and the year from the date the Member has ceased underwriting motor business.

- **Article 17 - Late payment of Levy**

Delay in payment of the levy is liable to an interest charge.

- **Article 19 Annual General Meetings**

The annual Report & Accounts is issued each year prior to the Annual General Meeting. Members are welcome to attend and are provided with notice of the time, date and details of the meeting.

- **Article 34 & 35 - Votes of members**

Every member has one vote on a 'show of hands'. Votes are calculated in accordance with the Member's MIB Levy Return form (or their equivalent) in the case of a formal vote or if proxy voting is required by the resolution.

- **Articles 67-71**

These set out details of the Technical committee, how it operates and incorporates the Domestic Regulations.

- **Article 75 - Domestic Regulations**

The purpose of the Domestic Regulations is to distribute amongst MIB Members, in an equitable fashion, the liabilities falling on the Central Fund, by imposing an obligation to meet a claim upon any Member that has a relationship with the risk.

The obligations imposed by the Domestic Regulations may require a Member to meet claims even where no contractual relationship exists with the parties to the accident.

Details of decisions taken by the Technical Committee upon cases falling within the Domestic Regulations are regularly circulated to Members.

- **Article 76 – Data Quality Self-Regulation**

This article deals with the self-regulation of the Motor Insurance Database.

Who can I contact with any queries?

If you require any further information, please contact the MIB on **01908 830 001** and ask to speak with the Executive Support Department.