

PRESS RELEASE: Embargoed for 00.01am Thursday 24th September

**LEGAL BLINDSPOT ON INSURANCE FOR UK'S YOUNG DRIVING GENERATION
'STAY INSURED' WARNS MOTOR INSURERS' BUREAU**

1 in 10 18-34 year-old drivers unaware that car insurance is a legal requirement

The Motor Insurers' Bureau (MIB) has today launched its 'Stay Insured' campaign, designed to target drivers who may be wavering when it comes to renewing their insurance policies due to increased financial pressures. The campaign is being fronted by Natalie Pinkham, host of 'You're Nicked' and 'Police Interceptors'.

There are concerns that the recession may increase the number of drivers allowing their insurance to lapse in a bid to cut their outgoings, especially since 3 in 4 drivers are currently looking for ways to reduce motor insurance costs.

There are currently an estimated 900,000 drivers under the age of thirty driving without insurance, of which nearly 600,000 are aged between 21 and 29 years old. This age group represents 14% of the total driving population and 1 in 3 (34%) of all uninsured drivers. While the typical uninsured motorist is likely to be a male aged 17-29¹, 15% of uninsured drivers fall into the 40-49 age range.

This 'squeezed generation' is particularly feeling the financial pinch, often juggling household expenses, paying for children and subsidising elderly parents. As a result, this age group is the most active in looking for ways to reduce their insurance costs, with 14% admitting that they are considering downsizing their vehicles, compared to a national average of 8%.

While recognising that many drivers are facing financial hardship during the recession, MIB is keen to help drivers with information about the appropriate cover for any vehicle they use. The consequences for those drivers taking to the road without insurance are far-reaching, and include vehicle seizure, a minimum of six licence penalty points, and a fixed penalty of £200. Drivers who have their cars confiscated will also be liable for £150 in car recovery fees and must prove that they have insurance before they can get their cars back. However, only 7% of all drivers are aware of all the possible consequences when they are caught, and one in ten 18-24 year olds are not aware that they need insurance in order to drive legally in the UK.

Drivers are also unrealistic about their chances of discovery – only 60% think that they are likely to be caught. In reality, MIB's work with police forces around the country has led to as many as 500 seizures of

¹ MIB data

uninsured vehicles every day, and an average of one driver being convicted every three minutes – a total of 232,000 a year.

Ashton West, Chief Executive of the Motor Insurers' Bureau, said:

“In these times of economic uncertainty, it is no surprise that people are looking to cut back on spending wherever possible. However, this is no excuse to commit a criminal offence. The ‘Stay Insured’ campaign aims to emphasise the importance of ensuring that drivers have the appropriate level of cover for any vehicle which they use. There are ways in which they can save on costs AND stay adequately insured, such as shopping around for quotes, opting for pay-as-you-drive cover or taking advanced driving lessons. It is important that drivers match their insurance to their lifestyles and pick the most appropriate cover for themselves, whilst also remembering that the cheapest policy might not always be the best one for them. We would urge drivers to visit the www.askMID.com website for tips and advice on how to save money on their policies.”

Campaign ambassador Natalie Pinkham, added:

“Uninsured drivers create a huge financial and social burden and drive-up the costs of premiums for law-abiding motorists. While it might be tempting to save a few pounds by delaying renewal for a few weeks, the consequences for doing so are severe. Last year, 232,000 convictions were successfully secured against uninsured drivers – so you will get caught!”

Top tips for saving on motor insurance costs:

- Pay a higher voluntary excess in order to reduce the premium, provided that this does not leave you out of pocket should you need to claim
- Look carefully at the cover you need; cars that are worth very little could opt for third-party, fire and theft (TPFT) only, rather than the more costly comprehensive cover
- Consider a training course like Pass Plus (www.passplus.org.uk) or joining the IAM (Institute of Advanced Motorists) to help you build up your driving skills and may help with discounts on your motor insurance policy
- Low mileage drivers could investigate pay-as-you-go options.

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About the Motor Insurers' Bureau

- The Motor Insurers' Bureau enables compensation to be recovered by victims involved in accidents with drivers who have no insurance or failed to stop.
- In 2008, around £380 million was spent by the MIB. The total cost of uninsured motoring in the UK is estimated to be around £500m
- The MIB is funded by all UK motorists, through a levy on insurers
- The cost to law abiding motorists is estimated to be around £30 on each policy per year.



- MIB also manages the Motor Insurance Database (MID) , which contains details of all insured vehicles in the UK
- Currently there are circa 35 million vehicles on the MID
- The MID database is used by the police to identify uninsured vehicles – 185,000 were seized in 2008 – that's one vehicle every three minutes

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Or visit the stay insured website www.askMID.com from 23 September 2009.

