



2012 Corporate Social Responsibility (CSR) Annual Report



MIB volunteers at the 2012 Gardening Challenge

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Welcome – Chief Executive's statement

At MIB we are passionate about our commitment to Corporate Social Responsibility (CSR) and remain determined to fully embed CSR principles into MIB's day-to-day operations and core values. I am therefore delighted to present our latest CSR report, highlighting our achievements during 2012. MIB's CSR strategy remains focussed on four key areas: Community, Workplace, Marketplace and Environment. The strategy is supported by explicit targets and driven by a team of impassioned volunteers from across MIB - the CSR team.

Community

MIB encourages its people to be responsible citizens and to support projects, organisations and services that work towards the common good and improvement of the community. We are proud to affirm that 2012 marks the fifth consecutive year of partnership working with our chosen business charity The Children's Trust.

Marketplace

We remain committed to building and maintaining valuable business relationships with all our stakeholders and, where required, to providing first class asset management and specialist claims services to support the insurance community.

Workplace

We want our people to be proud and motivated to work for MIB and will continue to measure, review and monitor our performance to ensure our people feel valued. We aim to attract the best individuals by providing quality training and development, through extensive investment, as well as a rewarding and enjoyable working environment.

Environment

Environmental impact is an important issue for all businesses. At MIB we take our environmental responsibility seriously. In particular, we focus on reducing our carbon footprint to mitigate the impact we have on the environment.

The Bureau's CSR agenda would not be possible without the commitment, dedication and enthusiasm of the people who work here. I would like to thank everyone who has contributed to our CSR programme for their effort and continued support during 2012.

Key CSR highlights

Achieving a **48%** staff uptake in MIB's 'give as you earn' scheme, with 75% of new starters joining the scheme

Donating over **£17,000** to The Children's Trust*

Employee engagement score of **71%**

Over **8%** increase in video and telephone conferencing use

Reducing MIB's carbon footprint by over **84** tonnes from 594 tonnes in 2011 to 510 tonnes in 2012

Customer engagement index net satisfaction score **73%**

* In line with previous years £3,000 was donated by MIB

The Bureau's CSR agenda would not be possible without the commitment, dedication and enthusiasm of the people who work here

Business overview

2012 was another successful year for MIB with significant developments made across many areas of the business.

Key trends and milestones

The level of uninsured driving in the UK, as measured by Guarantee Fund claims reported to MIB, continued to reduce in 2012. Equally, the number of vehicles recorded on the Motor Insurance Database (MID) continued to rise during the year. The police also reached the significant milestone of seizing the one millionth uninsured vehicle since they were granted additional powers in 2005.

MIB Managed Services

MIB Managed Services continued to add value to the industry through the provision of skilled resources at cost. This allows MIB to defray some of the costs of managing the processes supporting the organisation and to leverage the existing cross-industry services such as dedicated account management. In addition to managing CUE (Claims and Underwriting Exchange) and MIAFTR (Motor Insurance Anti-Fraud & Theft Register), the Claims Portal and providing management services to the Employers' Liability Tracing Office (ELTO), MIB continues to provide support services to the Insurance Fraud Bureau (IFB).

Continuous Insurance Enforcement

During the year, MIB managed the transition of the Continuous Insurance Enforcement (CIE) project into day-to-day operations. CIE awareness programmes across TV, radio and through social media were also undertaken to ensure the public understood the requirements to have insurance and the consequences of not doing so.

External accreditation

Achieving external accreditation against recognised standards is important for MIB. In addition to our existing Investors in People (IiP) and Chartered Insurer accreditations the organisation has been formally recognised and certified against the ISO 27001 information security standard. This gives external stakeholders assurance that we are committed to protecting the data assets we have been entrusted to manage at the same time as enhancing our attention to security across all areas of the business, supported by good processes and trained people.

Performance highlights



8.7% reduction in the number of Guarantee Fund claims received



More than **400,000** extra vehicles recorded on MID



Certification to the prestigious
ISO27001
information security standard



Chartered Insurer status
and signatory to the CII Aldermanbury Declaration



Community

MIB strives to be a positive influence within the community. Whilst striving for excellence in our business practices, we recognise the importance of taking account of the impact of our activities on the wider community.

Through the commitment, dedication and enthusiasm of our people we have continued to support the important work done at The Children's Trust. The Children's Trust provides rehabilitation, education, therapy, care and support to children with complex health needs and their families. In some cases the disabilities suffered by the children were caused as a result of road traffic accidents.

✓ What have we done?

Pennies from Heaven

The Pennies from Heaven scheme continued to prove a great success, with over 75% of new starters joining the scheme in 2012 and nearly 50% of all our people donating the pennies from their monthly salaries to The Children's Trust.

Dragon boat race

MIB's 'Most Impressive Boaters' competed along with 60 other businesses in the annual Milton Keynes Dragon Boat Festival. A team from our partner solicitors, Berryman's Lace Mawer (BLM), battled it out with us over the 200 metre course. Despite suffering our first ever loss to BLM in this regular event, it was another successful team and partnership building opportunity which also raised money for The Children's Trust.

MK Marathon

Five MIB teams (20 runners) entered the inaugural MK Corporate Relay Marathon. With the great support of staff, family and friends, we raised £2,300 in support of The Children's Trust.

Gardening challenge

This year's gardening challenge was another notable success, with staff completing numerous tasks around the 65 acre grounds of The Children's Trust site in Tadworth. This visit provided our volunteers with the opportunity to see the important work done at The Children's Trust and how our donations can help.

Cricket

MIB employees took part in the annual cricket match against our partner solicitors Weightmans which, after a very closely fought and entertaining match, ended in a win for MIB to the delight of the majority of the home spectators.



Charitable donations



Further donations through fund raising activities



Undertake fundraising events for nominated charity



Community continued



What we intend to do:



Plans for 2013

Gardening challenge

MIB is committed to maintaining our partnership with The Children's Trust in 2013. Building on the success of previous years we plan to undertake two gardening challenges, in June and September 2013, at the Children's Trust site in Tadworth. Each challenge involves about 14 members of staff undertaking various gardening assignments in a specified period of time.

MK Marathon

We will be entering teams into the 2013 Milton Keynes Corporate Marathon challenge to try to defend the title we won in 2012. Each runner will run about 6 miles in the race against other teams from Milton Keynes.

Cricket and football

We will again be organising sporting challenges with our key stakeholders, including cricket and football matches against our panel solicitors BLM and Weightmans.

Pennies from Heaven

We will continue to operate the Pennies from Heaven scheme, with staff donating the pennies from their salaries. We will also continue to donate the money raised from the cost of purchasing drinks from our vending machines.

2013 Targets





Workplace

Our people are a key factor to the success of our business. As a Chartered Insurer, the Bureau has also made a demonstrable commitment to high standards and the professional development of its staff. This is supported by the commitment to develop and implement a professional qualifications framework that sets out clear expectations of qualifications required by job level, including a robust recruitment and promotions strategy. Taken together with the Investors in People (IiP) accreditation, these commitments signify that MIB recognises the importance of learning and development to achieving corporate objectives through investment in our people.

✓ What have we done?

Learning and development

- E-Academy development, including revised courses for information security awareness
 - Launch of new management development workshops
 - Introduction of National Vocational Qualifications
 - Reaccreditation of Claims Academy by the Chartered Insurance Institute (CII) and Chartered Insurer status
 - Increasing number of employees studying CII courses/qualifications
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Employee communication and engagement

- IiP compliant appraisal process supported by monthly team briefings
 - MIB Ideas scheme backed by gift vouchers for implemented ideas
 - Active sports and social committees
 - Pulse Survey which enables staff to voice their opinions and aids management to make positive changes to the workplace
 - Effective Employee Liaison Group
-



Workplace continued

Staff Achievement and Recognition (STAR awards)

MIB continues to operate its STAR reward and recognition scheme; the STAR awards recognise examples of outstanding service, commitment and drive. The purpose of the awards is to encourage everyone to strive above and beyond their responsibilities, embrace the values of the Bureau and offer a consistent, first class service to both internal and external customers.

The awards are divided into three types, the annual awards, employee of the month and instant awards.

There are four annual awards:



Team Player Award - £800

This award is for the team member who goes the extra mile and does above and beyond what is expected of them in support of their team.



Customer Service Award - £800

This award is offered to an individual who demonstrates service excellence to their customers.



Performance and Training Award - £800

This award is designed to celebrate the individual that demonstrates outstanding business and personal success through investment in their personal training and development and applies it to their job.



Chief Executive Award - £1200

This award is presented to the member of staff who stands out over and above their peers for consistently demonstrating MIB's core values and embracing the culture of the Bureau.



Employee of the Month Award

The Employee of the Month Award was introduced in 2012. This award for £200 shop vouchers is presented to an individual that stands out for a particular piece of work or effort. These awards will focus on customer service and reward employees for providing a level of service above and beyond what is normally expected of them.



Instant Value Awards

Instant Value Awards recognise situations where an employee has demonstrated that they are living and breathing the MIB values. Shop vouchers with a value of £25 are presented to instant value winners.

2012 Targets and results



2012 Result
48%

Staff participation in
'give as you earn' scheme



2012 Result
75.3%

Uptake of new starters in
'give as you earn' scheme



2012 Result
71.5%

Staff engagement net
satisfaction score



Workplace continued

💡 What we intend to do:

We will continue to strive for excellence across the business and implement measures to improve staff engagement and training.

Our 2013 plans include:

- Fully implementing the professional qualifications framework
- Further developing the MIB E-Academy electronic training platform
- Developing more effective working relationships with the CII
- Making further enhancements to Insight@MIB
- Continuing with the Pulse Survey to encourage constructive feedback
- Re-launching the MIB staff magazine, with a new identity '@MIB'
- Developing a CSR area on the MIB intranet, which will allow employees to keep up to date with CSR events and news

🎯 2013 Targets



Marketplace

MIB continued to work on further reducing the level of uninsured driving in the UK and ensuring that the victims of uninsured and hit and run drivers are compensated fairly and promptly. In addition, MIB has continued to support the insurance industry through the provision of support services, particularly for data asset management and anti-fraud initiatives. CIE, introduced in 2011, continued to bring dividends to the members and, together with on-road enforcement, contributes to a sustained reduction in the number of Guarantee Fund claims, a levy return of £25 million to members in the year and the annual levy falling to its lowest level since 2005.

✓ What have we done?

Managed services

Claims Portal MIB's data asset management activities on behalf of the industry continued in 2012, during which MIB Management Services Ltd actively supported the operational delivery of the Claims Portal and was directly involved with the technical discussions concerning its future expansion.

Insurance Fraud Bureau (IFB) For the IFB the managed service has continued to provide operational support and has also assisted in the development of the IFB's three-year strategy.

Insurance Database Services Limited (IDSL)

Management and operational support to IDSL has also been very active during 2012. We ended 2012 with substantially enhanced governance controls, a better defined strategy for the future utilisation of the data, together with significant but practical improvements in membership support and improving data integrity.

Employers' Liability Tracing Office (ELTO) Management and operational support services have also been supplied to the Employers' Liability Tracing Office through the subsidiary Tracing Services Limited (TSL).

Anti-fraud improvements

Improvements were made in our anti-fraud capability with the headcount increasing in the Special Claims Unit and a new anti-fraud scorecard introduced for claims handlers. 2012 also witnessed the implementation of the I2 Analyst Notebook to help deliver improved use of anti-fraud resources, systems and data.

Complaints

We received 159 complaints in 2012, which equates to 0.48 complaints per 1,000 open files. While this slightly exceeded the anticipated volume, the customer engagement index result supports the view that MIB continues to offer a good overall customer experience, ending the year at 73% net satisfaction against a target of 71.5%.

Public awareness

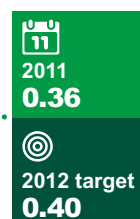
MIB focused on dedicated online communities using social media to sustain awareness and change attitudes towards uninsured driving. Joint initiatives with the police ran throughout 2012 to further reduce uninsured driving. Communicating the change of law played a major part in the campaign through television messaging and additional media channels.



Customer engagement index



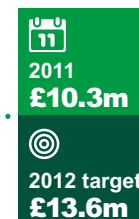
2012 Result
73%



Volume of customer complaints



2012 Result
0.48



Identified fraud savings



2012 Result
£16,010,388



Marketplace continued



What we intend to do:

Motor Insurance Database (MID)

A full tender process of the hosting for the MID service will be undertaken in 2013. The MID is the cornerstone of the enforcement of the insurance obligation in the UK. Discussions continue with the government over the proposals to remove further 'red tape'. These are expected to impact the MID operations with an increased legal importance potentially placed on the database as a record of insurance for enforcement.

Insurance Industry Access to Driver Data (IIADD)

ABI reached an agreement with the DVLA for the industry to have access to individual driving licence records at the point of quote. MIB is supporting this with a high level design of a technical solution and the selection of an appropriate IT partner. 2013 will see this project develop from the drawing board into reality.

Information Systems

In 2013, we will focus on upgrading the server infrastructure which will involve replacing the existing servers and software stack as well as migrating existing server applications and services to a new platform.

Public awareness

MIB will continue to build on the recognition of the existing creative concepts and develop partnerships with local radio stations, road safety teams, select cultural events such as Mela festivals and relevant programmes for motoring enthusiasts. These are aimed at delving into the detail of motor insurance law and engaging target audiences.

Managed services

We will continue to provide project management and support to industry initiatives such as the expansion of the Claims Portal, development of IDSL point of quote service, IFB and ELTO. MIB is providing support for the Credit Hire Portal tender due to be completed in 2013. A tender process will also be commenced for MIAFTR hosting in 2013.

2013 Targets



Maintain customer
engagement index net
satisfaction score at
2012 target of
71.5%



Reduce volume of
customer complaints to
0.40
per 1,000 claims



Increase identified
fraud savings to
£18,500,000



Environment

Environmental change is an important issue for businesses. MIB takes environmental issues seriously and is well aware that these are increasingly important to both our staff and customers. MIB is therefore committed to identifying business opportunities and threats posed by environmental change and acting upon them. All MIB staff are encouraged to put forward any green ideas they have to make improvements to achieve our goal of reducing our impact on the environment.

✓ What have we done?

Carbon footprint

We remain driven to identify ways to reduce our impact on the environment. In 2012 we continued to monitor our building's carbon footprint and exceeded our goal of achieving a 5% reduction with an overall 84-tonne reduction from 594 tonnes in 2011 to 510 tonnes in 2012.

Video and telephone conferencing

Following the trend of previous years we increased, this time by 8%, our video and telephone conferencing usage in 2012. Usage increased from 391 hours in 2011 to 424 hours in 2012.

Reduced energy usage

We have continued to replace expired light bulbs with energy saving bulbs as required.

Car sharing

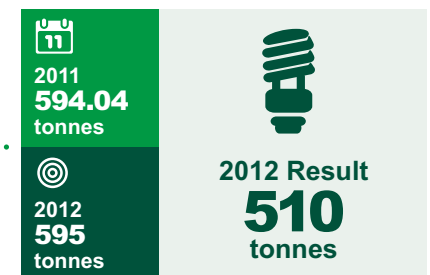
As well as reducing our carbon footprint it improves the parking accessibility around both Linford Wood House and Noble House. Whilst we have not achieved the goals set for 2012, we remain driven to promote increased car sharing in 2013.



Increase the volume of car sharers



Increase video and telephone conferencing



Building carbon footprint



Environment continued

💡 What we intend to do:

Printing project

We will initiate a project aimed at reducing the level of printing at the Bureau. The project will review the level of printing across all business areas to identify behavioural, procedural and policy opportunities to help reduce the current level of printing at the Bureau. A parallel programme of work will also be commenced to consider security and efficiency improvements available by refreshing and rationalising the Bureau's current hardware printing assets.

Car sharing

Through promotion and awareness we aim to increase the volume of people who car share by 30%.

Video and telephone conferences

Our current reporting of teleconferencing usage only captures the use of specialised spiderphone equipment. Other usage such as teleconferencing numbers is not captured and therefore not added into the reported figures. In 2013, the Bureau will look at new options to more effectively record overall usage of teleconferencing facilities, including the current spiderphones, teleconferencing numbers and external teleconferencing numbers. The Bureau will also look at the feasibility of introducing a dedicated room for videoconferencing to increase usage and undertake a review of the current videoconferencing capabilities compared to newer technology.

Carbon footprint

Reduce our building carbon footprint to below 500 tonnes during a period when more employees will be joining MIB and its subsidiary companies.

🎯 2013 Targets



Case study - Winning the race

The inaugural Milton Keynes (MK) Corporate Challenge Race, which took place alongside the 2012 MK Marathon, provided MIB with a great opportunity to participate in a prominent event that had a significant impact on two of the Bureau's CSR work-streams; Workplace and Community.

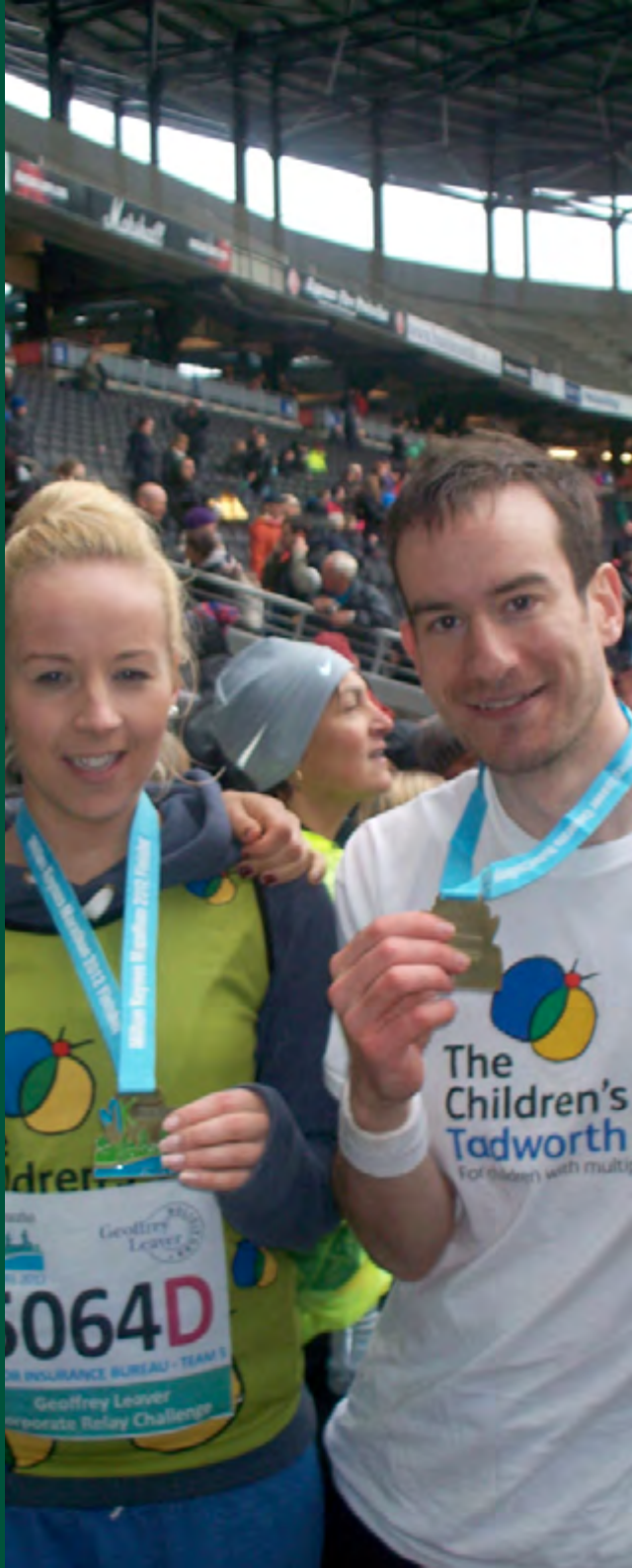
In April 2012 MIB entered five teams, 20 runners, into the first ever MK Corporate Challenge Race. The challenge set teams of four runners against each other, with each individual team member running between four and eight miles.

Despite extremely hostile weather conditions on the day, one of the MIB teams won the race, beating 98 other teams to the finish line inside Stadium MK with a time of just over three hours and 25 minutes.

Many of the MIB runners trained together for several months in the build up to the race. Training was a team activity that brought a diverse group of people from across the Bureau closer together. The training and the race also helped the runners combine the individual responsibility and teamwork necessary to successfully complete a relay race. In fact, the winning MIB team was made up of four runners: Dan Wylie, Fiona Salusbury, Amy Mickley and Mark Armstrong - all from different business areas within the Bureau.

In addition to promoting a 'fitter' workforce and building team spirit, the Bureau's runners also helped raise £2,300 for MIB's nominated national charity The Children's Trust. The Trust provides rehabilitation, medical care and educational support to children with brain injuries, multiple disabilities and complex health needs to help them live the best life possible. MIB has supported the charity for the past five years.

The Corporate Challenge Race is a great example of a CSR activity that provides a challenging but rewarding and enjoyable activity, and also encourages our people to be responsible citizens and to support an organisation that works towards the common good and improvement of the community.





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