

## MIB Levy form guidelines

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### Contact Details

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### Form information

If the grey areas on the MIB Levy forms do not auto-populate please press F9 to ensure they are updated accordingly.

Please complete the forms for the calendar year ended 31st December 2017.

Please complete the MIB Levy forms and return in Excel format to [accounting@mib.org.uk](mailto:accounting@mib.org.uk) by 30 April 2018.

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## 1 Guidelines

There is one form to complete and a summary form to sign and date:

MIB Levy form requires Gross Written Premium (GWP) information from your Solvency II return and a breakdown of the Gross Written Premium by class.

The MIB Levy summary form summarises the information provided on the MIB form.

**Note: the MIB Levy summary form will auto-populate from the MIB Levy form. If it does not auto-populate, please press F9.**

The Motor Insurers' Bureau (MIB) acts as the Guarantee Fund and Green Card Bureau for the territories of the UK, Gibraltar, Channel Islands and the Isle of Man.

When completing the Gross Written Premium by class please include figures for all UK registered vehicles. Members in Gibraltar, the Channel Islands and Isle of Man should also include premiums for vehicles registered in those territories.

If you are operating under the Freedom of Services agreement, please ensure you declare premium only in respect of vehicles registered in the territories above. Do not include figures for overseas premiums written.

Please list clearly those subsidiaries included in your figures. All subsidiaries must be included except those giving their own return.

When completing the Gross Written Premium included on your Solvency II return it is understood that these may include premiums written in territories other than those listed above.

All returns are to be made in GBP, in thousands - £'000.

If you are not the person who should be completing and submitting the return, please contact us and provide the contact details of the appropriate person and we will update our records. Please ensure the MIB Levy summary form is approved by an appropriately authorised person and the tick box is checked to confirm this. Any forms received without the check box ticked will be returned.

Completed forms should be emailed to [accounting@mib.org.uk](mailto:accounting@mib.org.uk) and must be returned in Excel format. Please let us know if this isn't possible.

All completed forms should be returned with a copy of your Solvency II return S.05.01.02. If this is not available please advise MIB when this will be available. A full reconciliation and explanation must be provided for any differences between the Total GWP figure per the Solvency II return (C00040 + C00050) and the total GWP for this year (i.e.2017) on the MIB Levy form summary.

The return of the MIB Levy forms are due no later than the last working day in April.

## 2 Forms

### 2.1 MIB Levy form:

The MIB Levy form is for entering the required information. The MIB Levy form requests an analysis of Gross Written Premiums (GWP) by class. This information is required to calculate the levies based on the RTA percentages. The current RTA percentages can be found below in section 3. The RTA rates are reviewed annually.

You are required to enter GWP by class for “this year”, which is the last full year data, plus “last year”, i.e. the previous year. The comparatives will identify any major fluctuations year on year and any potential errors that may arise when entering. Please advise MIB of the reasons for any year on year major fluctuations when you submit your forms.

In addition you are required to enter two figures from your Solvency II return S.05.01.02. This is GWP for Motor Vehicle Liability (C0040) and Other Motor Insurance (C0050). This was a new requirement in 2017, for the collection of 2016 GWP data and continues to be the method of collecting GWP for the 2018 levy payment year (2017 GWP data).

If the figures submitted include those of any subsidiary please list clearly those subsidiaries included in your figures. All subsidiaries must be included except those completing their own return.

### 2.2 MIB Levy summary form:

MIB Levy summary form provides a summary of information entered on to MIB Levy summary form. Details entered onto the MIB Levy form will automatically flow through to the summary form. If this doesn't flow through then please press F9 to re-calculate.

Please enter the details of the person completing the MIB Levy form and the person who has checked/authorised the form then tick the check box to confirm an appropriately authorised person has reviewed the data entered. The forms should only be signed once the *“Please email these forms in EXCEL format together with your Solvency II return S.05.01.02 to [accounting@mib.org.uk](mailto:accounting@mib.org.uk)”* message is displayed. Validation checks are included in the spreadsheet. If you do not see the message “Please email” an error message will be displayed instead. Please amend your MIB Levy form in accordance with the error message.

Please email completed forms in EXCEL Format together with your Solvency II return S.05.01.02 to [accounting@mib.org.uk](mailto:accounting@mib.org.uk).

## 2.3 Example MIB Levy forms

Examples of both MIB Levy forms can be found at Appendix A

## 3 RTA Rates

Current RTA rates	%
Private Car – Comprehensive	67
Private Car – Non – comprehensive	95
Commercial	75
Motorcycle	71
Fleet	72
Other	40

## 4 Calculation method

The following is an example showing how the levy for each Member is calculated. The formula used is:

$$\text{Total levy due from Member} = \frac{\text{Member's weighted covers x amount to collect}}{\text{Total weighted covers}}$$

The Member's weighted covers figure is the summation of the Gross Written Premium (GWP) per class of business, as specified in the GWP return, multiplied by the relevant RTA%. The total of all Members' weighted covers produces the denominator in the formula. The Levy amount to collect for 2018 is £279m.

This should become clearer by working through the example below:

### Another Car Insurance Company

	GWP £'000	RTA %	Leviable % £'000
PC Comp	3,998	67%	2,678.7
PC Non – comp	2,400	95%	2,280.0
Commercial	868	75%	651.0
Motorcycle	639	71%	453.7
Fleet	75	72%	54.0
Other	30	40%	12.0
	8,010		6,129.4

$$\text{Leviable income x no. of months' membership } £6,129,400, \times 12 = £73,552,800$$

$$\begin{aligned}
 \text{Total levy due from Member} &= \frac{\text{Member's weighted covers}}{\text{Total weighted covers}} \times \text{amount to collect} \\
 &= \frac{73,552,800}{137,136,445,688} \times £279,000,000 \\
 &= £149,641 \quad \text{i.e.} \quad £12,470 \text{ pcm}
 \end{aligned}$$

**Note:** in the example shown the leviable percentage = 0.0536%

$$\text{i.e.:} \quad \frac{\text{Member's weighted covers}}{\text{Total weighted covers}}$$

The same methodology is applied to calculate the additional levy arising as a result of the Deregulation Act and the Claims Portal Levy. In 2018 this is £19m and 1.1m respectively.

## Appendix A - MIB Levy form – example

### MIB Levy Form



Name of company	Another Car Insurance Company
Financial year ended	31st December 2017
Accounting class	Motor
Company registration no.	12345678
Account no. (S code)	S9999

### Premiums by Class

			Gross Written Premiums - £'000	
			This year	Last year comparative
Private car comprehensive	In the financial year in respect of risks incepted in	Previous financial years	85	42
		This financial year	3,913	4,050
		<b>Total Private car comprehensive</b>	<b>3,998</b>	<b>4,092</b>
Private car non-comprehensive	In the financial year in respect of risks incepted in	Previous financial years	40	27
		This financial year	2,360	1,800
		<b>Total Private car non-comprehensive</b>	<b>2,400</b>	<b>1,827</b>
Motor Cycle	In the financial year in respect of risks incepted in	Previous financial years	25	48
		This financial year	843	930
		<b>Total Motor Cycle</b>	<b>868</b>	<b>978</b>
Commercial Vehicle	In the financial year in respect of risks incepted in	Previous financial years		
		This financial year	639	478
		<b>Total Commercial Vehicle</b>	<b>639</b>	<b>478</b>
Fleet	In the financial year in respect of risks incepted in	Previous financial years		
		This financial year	75	33
		<b>Total Fleet</b>	<b>75</b>	<b>33</b>
Other	In the financial year in respect of risks incepted in	Previous financial years		
		This financial year	30	24
		<b>Total Other</b>	<b>30</b>	<b>24</b>
Total	In the financial year in respect of risks incepted in	Previous financial years	150	117
		This financial year	7,860	7,315
		<b>GRAND TOTAL</b>	<b>8,010</b>	<b>7,432</b>

### Gross Written Premium per Solvency II Return S.05.01.02

			Motor Vehicle Liability C0040 £'000s	Other Motor Insurance C0050 £'000s
Gross Written Premium	R0110	Gross - Direct Business	6,500	1,510

### Subsidiaries included






## MIB Levy Form Summary

Name of company:	Another Car Insurance Company
Financial year ended:	31st December 2017
Company registration no.	12345678
Account no. (S Code)	S9999

Total Gross Written Premiums (Class 10) in GBP (less rebates & refunds) on direct insurance and facultative reinsurance business

Class of Business	Premium - This Year £'000	Premium - Last Year £'000
Private Car - Comprehensive	3,998	4,092
Private Car - Non-Comprehensive	2,400	1,827
Motorcycle	868	978
Commercial Vehicles	639	478
Fleet	75	33
Other	30	24
<b>Total</b>	<b>8,010</b>	<b>7,432</b>

## Gross Written Premium per Solvency II Return S.05.01.02

		Motor Vehicle Liability Insurance C0040 £'000s	Other Motor Insurance C0050 £'000s
Gross Written Premium	R0110 Gross - Direct Business	6,500	1,510
<b>Total per Solvency II Return</b>		<b>8,010</b>	

Forms completed by:	Forms authorised by:
Name: Jane Smith	Name: Dan Jones
Date: 15/04/2018	Date: 16/04/2018
Position: Senior Reporting Manager	Position: Head of Reporting

☒ I can confirm that the information provided is accurate and correct and signed off by an appropriately authorised person within the business

Validation Check

Please email these forms in EXCEL format together with your Solvency II return S.05.01.02 to [accounting@mib.org.uk](mailto:accounting@mib.org.uk)