



# Protect Influence Future-fit

Our plan for 2023



# Protect

Keeping people safe from uninsured drivers while creating the high-quality experiences victims and our members deserve.

# Influence

Working internationally to protect our members and make roads safer.

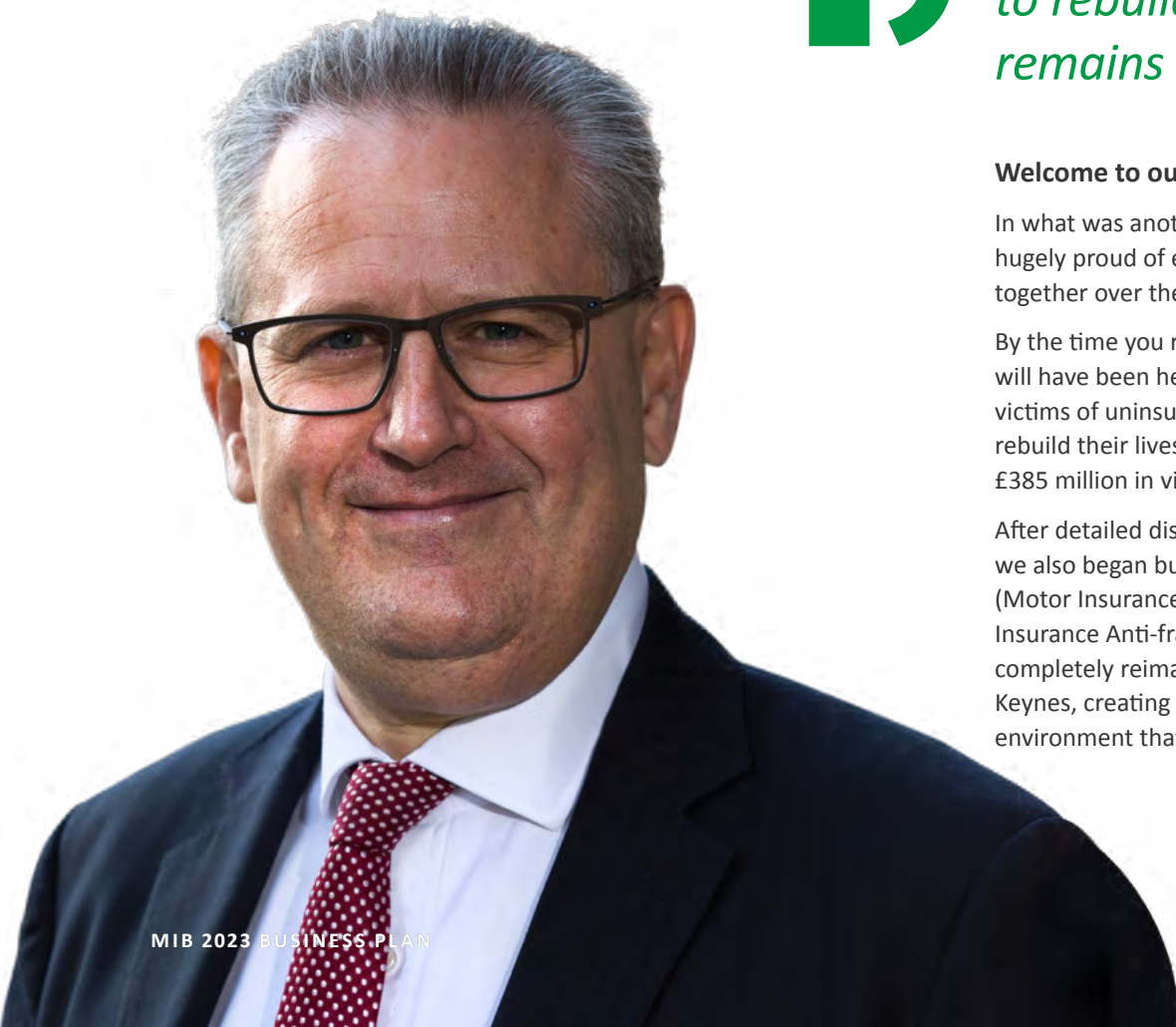
# Future-fit

Preparing for the challenges and opportunities of the future.

# A word from Dominic



*As our organisation changes, our commitment to rebuilding lives and keeping people safe remains the same.*



## **Welcome to our plan for 2023.**

In what was another challenging year, I am hugely proud of everything we have achieved together over the past 12 months.

By the time you read this, our organisation will have been here to help more than 35,000 victims of uninsured and hit-and-run drivers rebuild their lives, paying out more than £385 million in vital compensation.

After detailed discussions with our members, we also began building the future of the MID (Motor Insurance Database) and MIAFTR (Motor Insurance Anti-fraud and Theft Register). We completely reimagined our office in Milton Keynes, creating a modern and inspiring environment that reflects our future ambitions.

With the rapid rise in the cost of living, we were among the first to offer enhanced financial support for the lowest paid. And since Official Injury Claim launched as part of the government's whiplash reforms, I am proud of the high-quality, easy-to-use service we've created for anyone who needs our help after a road accident.

As our organisation changes, our commitment to rebuilding lives and keeping people safe remains the same.

And yet, despite everything we have achieved, I also know that there is still a lot we need to do to make MIB fit for the future.



# Our plan for 2023 is built around three priorities

## 1 Protect

We'll go further than ever to get victims of uninsured and hit-and-run drivers the care and support they need as quickly as possible. Starting with a single, modern platform for the MID and MIAFTR, we'll continue to improve the information we rely on to keep dangerous drivers off our roads. And through our police helpline and Operation Tutelage, we'll build on our success in keeping people safe.

## 2 Influence

Alongside our international partners, we'll continue to do everything we can to protect the interests of motorists and our members. That will include working closely with the government and continuing to support the use of digital green cards outside the European Economic Area.

In 2022, we assisted the government in removing areas of retained EU law that increase costs for motorists in the UK. This is an ongoing area of work, and we will continue to work to provide whatever support we can.

## 3 Future-fit

In a changing and complex world, we must build a sustainable foundation for the future. Doing so will make sure we can continue to achieve our purpose in years to come.

In 2022, we began to move away from large-scale transformation, working towards a culture where change is a normal part of the work we do. And so, we'll continue what we started: empowering our people to solve the problems that matter to our members, while making managing risk part of our culture and decision-making.

*Let's build the future together*

At a time when families and businesses are facing unprecedented financial challenges, getting the balance right between delivering the best possible experience, keeping our costs as low as we can while mitigating potential risks has never been more important than it is today.

Whether you work within our organisation or support us as part of our community, I hope the real-life stories on the next pages remind you why it's vital that we continue our work to make MIB fit for the future. Let's come together and think big, so that one day we can look back and be proud of the difference we made.

**Dominic Clayden**  
CEO

# Sharon's story

**“It’s amazing to be back living life again. I can’t thank MIB enough”**



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*Sharon was walking to work when a speeding car slammed into her and drove off. She woke up in hospital with a broken arm, broken leg, two broken collarbones, eight broken ribs, fractured neck, collapsed lung and a bleed on the brain.*

“My first thought was ‘What on earth has happened?’” Sharon says. “I knew it was something serious because I had a neck brace, arm brace, leg brace, tubes, drips, morphine and I couldn’t talk.”

Sharon ended up spending four months in hospital. She had to have three major operations and each time it was touch and go as to whether she’d pull through. By her side through it all was her niece, Kerry.

“I went to see Sharon in intensive care and couldn’t believe what had happened to her,” says Kerry. “She was in a horrendous state. In those early days in hospital, I was feeding her every day. I remember wondering how anyone could do that to someone and just drive off.”

“I couldn’t walk for 11 months,” says Sharon. “I couldn’t get upstairs and had to have everything in my living room. I was thinking ‘There’s so many things I want to do and I’m going to be stuck in this bed for ever, and then I thought, ‘No, I’m going to get through this no matter what.’”

“It was when MIB got involved that things gradually started to improve,” says Kerry. “Finally, there was light at the end of the tunnel. It was then we knew that, somehow, despite her injuries, she was going to get better.

“Through those dark, dark days in the hospital, I never thought that we’d see Sharon walking again, going back to work, laughing and smiling and enjoying life. Without MIB, there is no way she would be where she is today. She would never have got the counselling or the fantastic physio she needed all the way through. That physio was Sharon’s lifeline.”

“Without the support I got from MIB I would still be stuck in that bed in my living room,” Sharon adds. “I believe that 100%.”



# Simon's story

**“If more people knew the impact it has, they might think twice about driving uninsured”**



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*Inspector Simon Hills leads a team of police officers at Hampshire and Thames Valley Police.*

*In 2018, he worked with MIB as part of a nationwide pilot to reduce uninsured driving. The idea that followed evolved into what became the largest and most successful operation of its kind: Operation Tutelage.*

“Uninsured driving is still a widespread problem,” says Simon. “Sadly, with the cost of living, I fear it’s going to get worse as people are forced to make tough choices. Most will do the right thing, but there will also be some who decide to take the risk of driving without insurance.

**“The vast majority of drivers we stop for no insurance are law-abiding people who have made a mistake.**

“Historically, we had no way to separate someone who had accidentally insured their partner’s car twice from any other offender. We had to spend half an hour to establish if they were insured, seize their car and give them six points on their license and a fine.

“That got us thinking ‘What if we could give honest drivers a way to correct their mistakes? What if we could focus on targeting drivers who know they are uninsured and who don’t care how many times we contact them?’

“Using technology and other methods, we decided to write to the owners of cars we know are on the roads that were showing as uninsured on the MID.

“The letter they receive makes clear that we are giving them an opportunity to get it sorted before they are stopped out on the road, or we move on to a fine and seizing their car. It also comes from their local police force, encouraging them to get in touch if they need further advice.

**“Of the drivers we contacted, 74% have taken action to insure their vehicle.**

“As a result of our work, more than 250,000 previously uninsured cars are now listed on the database as insured.

“Researching people who didn’t comply also gave us a hotlist for our officers to go out and target. We’ve since developed that into detailed intelligence on the most serious offenders.

“On top of no insurance, the operation has helped us find people involved in other crimes. From burglaries to drug dealing to serious assault, there’s barely an offence we haven’t identified through intelligence from Operation Tutelage.

**“Without MIB, we would never have got the funding we needed.**

“Through strong working relationships with insurers and the police, MIB played a vital role in building the case for the operation as a way reducing the human and financial impact of uninsured driving.

“Despite the challenges for the government in recent years, MIB has succeeded in making sure Operation Tutelage and uninsured driving continue to be spoken about at ministerial level.

“Together, I’m hugely proud of our progress in tackling this important issue.”

**Inspector Simon Hills  
Roads Policing Operations  
Hampshire and Thames Valley Police**





# Together we rebuild lives and keep people safe every day

## 1 **Protect:** We'll go further than ever to keep people safe from uninsured drivers while creating the high-quality experiences victims and our members deserve

Every year, we give hope to thousands of people injured by uninsured and hit-and-run drivers. Whether it's paying for vital medical help, providing the funding they need to adapt to the mental and physical consequences of their injuries or helping pay their bills through what is often a long and difficult road to recovery.

### **We'll get victims the support they need faster**

Having fixed the basics and with claims starting to return to pre-pandemic levels, we'll bring skilled people together to deliver the biggest ever package of improvements to our claims services. We'll simplify our processes, reduce the number of steps needed to make a claim and make it easier to check the progress of a claim through our online portal.

And we'll continue to develop the tools and skills we need to continue supporting our customers in the future.

### **We'll continue working for a future where uninsured drivers have nowhere to hide**

We'll build the future of our services, starting with a single, modern platform for the MID and MIAFTR.

The new platform will make it easier for our members and the police to access the data they need while giving us the flexibility to adapt as the needs of the market evolve.

We'll also continue working with our members to make sure the information they rely on is as accurate and relevant as possible.

### **We'll go further than ever to keep people safe**

As part of Operation Tutelage, 78% of drivers suspected of driving without insurance who received our enforcement letter have now taken action to insure their vehicles. That's a significant achievement. It means we can now focus on supporting the police to get the most dangerous drivers off our roads as quickly as possible.

In the year ahead, we'll continue building on that approach, bringing together intelligence from Operation Tutelage and police databases to help find and seize those vehicles faster.

Across every part of our organisation, we also need to make sure we share our successes so that more people see the impact of the important work we do.





# The road ahead is changing

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## 2 Influence: Working internationally to protect our members and make roads safer

### **We'll keep on working for motorists and our members**

In an increasingly uncertain political and economic landscape, we will play an important role in discussions with the government, doing what we can to help mitigate any potential risks to motorists and our members.

We'll continue our work to update agreements that govern how we support victims of uninsured and hit-and-run accidents in UK territories so that they reflect our changing world.

It's not yet clear whether compulsory insurance will become a legal requirement for an ever-growing range of micro-mobility solutions, including e-scooters. But whatever happens, we'll continue to influence debate and support the government on what remains a complex and fast-moving issue.

### **We'll work to secure the expansion of digital green cards**

Alongside our international partners, we'll play a central role in building the case for digital green cards to be fully accepted outside the European Economic Area (EEA). We fully support an extended zone where motorists leaving the EEA can prove they have adequate insurance cover using a digital format, eliminating the cost and inconvenience of having to carry a physical document.

### **We'll be ready to support victims of terrorism**

Following a terrorist event involving the use of a vehicle, we'll be ready to provide the best possible support to victims and their families. And so, in the year ahead, we'll continue to test and refine our response to a variety of possible scenarios.



# Whatever the future brings, we'll be ready

## 3 Future-fit: We'll prepare for the challenges and opportunities of the future

### We'll improve the way we work together

Building on our networks, we'll improve the way we work together to solve the problems that matter to our members and customers. We'll create a community where people feel connected to our organisation and each other. We'll continue to invest in developing our leaders, making clear the standards and behaviours we need to support our people. And to attract and retain the talented workforce we need for the future, we'll invest in an independent review of how we reward our people for the skilled and challenging work they do.

### We'll continue to make risk a normal part of every day

If we are to be ready for the opportunities ahead, we must be able to make informed decisions about any potential risks. Whether that's anticipating threats to our finances, protecting our services from new security threats or making sure we comply with the latest regulations.

That means allowing our leaders to showcase a positive conversation around risk, putting risk management at the centre of our planning and decision-making, and further improving training to develop our knowledge. And, as always, we'll continue to evolve our cybersecurity operations and education to protect our organisation from fast-moving, new security threats.

We'll also look more closely at how a changing regulatory landscape could potentially influence our long-term strategy in the future.

### We'll make sure our finances are fit for the future

We must deliver on the promises we've made to our members while also ensuring we have the flexibility to adapt and seize new opportunities. We'll achieve that by building a clear, long-term financial strategy into every part of our organisation.

### We'll refine our supply chain to deliver the best possible value

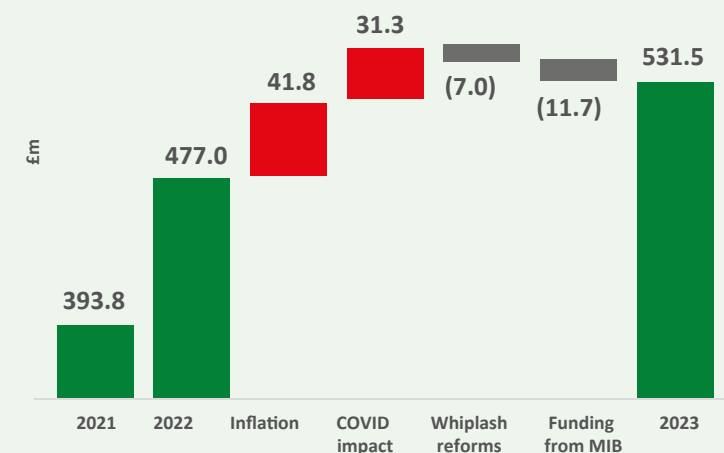
Our aim is to become more commercial in our approach. That means we'll work with our suppliers to make sure everything we do delivers the best possible value. In a complex legal environment, we also need to make sure we comply with relevant laws and regulations and protect the best interests of our organisation.

# The finances

## How we manage the money

None of our plans for 2023 and beyond can be a success unless our finances are managed well. It's also important that you see where the industry's investment goes.

Levy evolution (£m)



- Levy expected to increase by 11.4% during 2023
- High levels of claims inflation and unwinding of COVID-related factors
- Whiplash reforms continues to drive down claims costs
- Contribution from MIB financial reserves to mitigate levy increase.

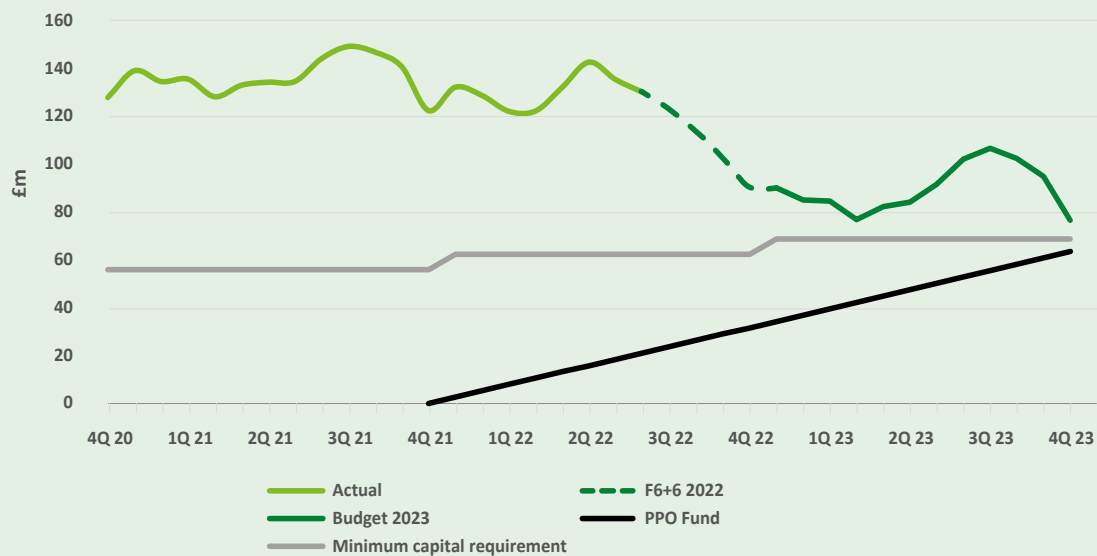
Profit and loss account (£m)

£m	2021 actual	2022 forecast	2023 budget
Levy income	393.8	477.0	531.5
Claims net of recoveries	(350.9)	(410.4)	(459.5)
BAU operating expenses (NET)	(29.3)	(26.3)	(28.8)
Terrorism reinsurance	(8.4)	(8.4)	(8.4)
OIC Ltd and change	(14.3)	(10.5)	(11.1)
Pension deficit and other	(2.7)	(4.0)	(3.8)
<b>Surplus/(deficit)</b>	<b>(11.8)</b>	<b>17.4</b>	<b>19.9</b>

- Claims inflation drives increase in claims costs
- Wages and supplier-related inflation causes OpEx to increase by 9.5%
- Other costs broadly flat year-on-year.



## Cashflow (£m)



- Minimum capital requirement (buffer) increases as claims costs increase
- Cash and investments expected to stay above MCR
- PPO Fund continues to accumulate to offset against PPO liabilities.

## Balance sheet (£m)

Assets	2021 actual	2022 forecast	2023 budget
Receivables	2,964.7	2,967.8	2,920.1
Investments	121.8	89.9	75.1
PPO Fund	0.0	31.6	63.6
Cash	0.8	0.8	0.8
Fixed assets	5.5	14.0	16.4
<b>Total assets</b>	<b>3,092.8</b>	<b>3,104.1</b>	<b>3,076.0</b>
Liabilities	2021 actual	2022 forecast	2023 budget
Provisions	3,019.7	3,029.8	3,005.2
Liabilities	62.2	63.5	63.3
Pension	8.4	5.1	1.8
Payables	2.5	5.7	5.7
<b>Total assets</b>	<b>3,092.8</b>	<b>3,104.1</b>	<b>3,076.0</b>

- Strong, stable balance sheet with >£3.0bn of assets
- Investments and cash of c£76m
- Reduction in DB pension deficit.

## Net operating expenses (£m)

Operating expenses	2021 actual	2022 forecast	2023 budget
Operating and compliance	(0.7)	(0.7)	(0.3)
People	(23.2)	(23.4)	(25.8)
Travel	(0.0)	(0.1)	(0.1)
IT	(10.1)	(9.3)	(10.4)
Property and office	(1.4)	0.6	(1.2)
Professional fees	(4.0)	(0.6)	(1.0)
Financial and guaranteed funding	(2.4)	(2.9)	(2.8)
Other	(3.1)	(2.3)	(1.4)
<b>Total</b>	<b>(44.9)</b>	<b>(38.7)</b>	<b>(43.0)</b>

Income	2021 actual	2022 forecast	2023 budget
CUE/MIAFTR/MyLicence	2.9	4.0	4.3
Client company recharge	8.5	6.7	7.6
Customer service recharge	2.4	0.0	0.0
OICL recharge	1.9	1.9	2.3
<b>Total</b>	<b>15.7</b>	<b>12.6</b>	<b>14.2</b>

<b>Net operating expenses</b>	<b>(29.3)</b>	<b>(26.3)</b>	<b>(28.8)</b>
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- Wage inflation mainly drives increase in people costs
- Supplier inflation causes IT expenditure to rise
- One-off accrual releases of £1.4m in property and office expenses and £1.1m in professional fees in 2022 are not expected to recur in 2023.

## Strategic initiatives and change (£m)

Strategic initiatives and change	2022 forecast	2023 budget
Project Unity (re-platforming MID and MIAFTR)	(4.1)	(2.9)
Project Altitude (data quality) – indicative	(1.6)	(4.0)
Project Delta (claims optimisation)	(1.9)	(2.0)
BAU projects	(2.2)	(2.0)
<b>Total</b>	<b>(9.8)</b>	<b>(10.9)</b>

- Unity – total expenditure c£7.3m is being capitalised and will be depreciated upon go-live
- Altitude – £4.0m expenditure in 2023 is indicative at this stage and will be expensed as incurred
- Delta – costs included within claims indemnity expenditure
- BAU project expenditure of £2.0m is mainly on the central programme team, information security, finance strategy and regulatory readiness.





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