

Financial Services Consumer Panel

AN INDEPENDENT VOICE FOR CONSUMERS OF FINANCIAL SERVICES

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Anna Sylvester
Insurance Directorate
HM Treasury
19 Allington Street
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Our ref: WG A

Dear Ms Sylvester

4th Motor Insurance Directive

The Panel has had its attention drawn to proposals which will implement the 4th Motor Insurance Directive, also known as The Visiting Motorists Directive, which will require UK authorised insurers to have a claims representative in other EU member states able to deal with claims arising from incidents involving UK drivers in that state and insurers authorised in other EU countries to have a claims representative in the UK. The Panel understands that this will involve a change in UK civil law and is concerned that it could result in claims being made on a policy without the authorisation of the insured driver and result in the loss of an individual's no claims bonus. Currently, any action by a third party is undertaken against the insured driver, who can choose whether to claim off their insurer.

The Panel is also concerned that UK citizens will only benefit from the Directive if other member states fully implement the Directive on time in relation to their insurers.

The Panel would like to know whether its understanding about the proposed change to enable third parties to claim directly against insurance companies is correct and if so, what steps will be taken to alert policyholders to this situation and whether a policyholder will be able to elect to pay any claim themselves and instruct their insurance company not to pay a claim in order to safeguard their no claims bonus. The Panel would also like to know what steps will be taken to monitor the implementation of the Directive by other member states to ensure that UK citizens do benefit.

Yours sincerely,



Colin Brown
Chairman
FS Consumer Panel

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