

THE LAW ON MOTOR INSURANCE HAS CHANGED

If you own a vehicle and it is registered in your name then it must be insured all the time. If you don't want to use the vehicle, then you must contact the DVLA to declare the vehicle off the road. By making a formal Statutory Off Road Notification (SORN) and sending this to the DVLA along with your tax disc, you can ensure you are complying with the new law.

From the end of June 2011, the registered keepers of vehicles that have no record of insurance on the Motor Insurance Database (MID) or a SORN, will be reminded of the law change with a warning letter in the post. They will have to take notice of this or face penalties.

Why is this new law being introduced?

The new law – called Continuous Insurance Enforcement (CIE) – is being introduced to combat the high numbers of uninsured drivers. About 30,000 claims are made to the Motor Insurers' Bureau (MIB) each year for accidents caused by uninsured drivers and those that leave the scene. MIB manages a fund to compensate the innocent victims of these accidents. Unfortunately, legitimate drivers must carry the cost of funding this compensation, and this adds about £30 to every honest motorist's insurance premium.

How will MIB and DVLA know that I don't have insurance?

The records on the MID – a central record of 34 million motor insurance policies in the UK – will be systematically compared with the DVLA's registered keeper records. Registered keepers can check their vehicle insurance, like DVLA does, at www.askMID.com for free.



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What will happen if I don't get insurance?

As the registered keeper of a vehicle that has no insurance, you could face:

- A £100 penalty;
- Your vehicle being clamped seized and destroyed;
- Court prosecution and a fine of up to £1,000; and
- The Police will also continue to seize vehicles that are driven without insurance – different penalties apply for this offence.

Payment of a penalty does not replace the need for motor insurance.

What do I do if I get a warning letter but I know I have insurance?

Contact your insurance provider straight away and ask them to check, and if needs be, update your records on the MID. Providing you have a current motor insurance policy and it appears on askMID.com then no fixed penalty will be issued to you.



Does the new law apply to all types of vehicles?

CIE applies to all types of motor vehicles in England, Scotland and Wales. This includes cars, vans, motorbikes, motorhomes or HGV's.

Are there any occasions when a vehicle can have no insurance?

A vehicle can have no insurance if it:

- Has a valid SORN
- Was exempted from SORN (as untaxed on or before 31/01/1998 and has had no tax or SORN activity since)
- Is recorded as 'stolen and not recovered' by the Police
- Is between keepers
- Is scrapped
- Is held in stock by an authorised Motor dealer.



If I own a number of vehicles, will I get a penalty for each one that is not insured?

Yes a penalty will be applied to each vehicle that is kept without insurance or has not been declared off the road (SORN) with DVLA.



What happens if I get a letter and I'm no longer the registered keeper?

You will need to fill in the relevant section on the Registration Certificate (V5C) and send it to the DVLA. If you do not have the V5C write to DVLA, Swansea, SA99 1BD with the vehicle registration number, make, model, date you sold it and the name and address of the person you sold or transferred it to together with any supporting documents or evidence of the sale.

What if the car is kept in a garage or away from my home address?

You will still need to have insurance in place at all times regardless of where the vehicle is kept, unless a valid SORN is in place.

Who is responsible for the insurance if I hire a car?

In many cases, car hire companies will include insurance as part of their hire package, however it is your responsibility to check that you are insured for the time you are using the vehicle.

Who is responsible for the insurance if I use someone else's car for a day?

The registered keeper is responsible for ensuring the car is insured. However, you are responsible for checking that your insurance allows you to drive another vehicle.

I use a company car and so I'm not the official owner. Will my company get a letter if the car isn't insured?

If the company is listed as the vehicle's registered keeper, they will receive a warning letter, followed by a penalty if there is no valid insurance policy. You should check with your employer.

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askMID and DVLA - tackling uninsured vehicles

What can I do to stay insured?

To stay insured and stay legal, shop around for quality insurance deals that suit you and your budget. You can get financial help and advice from the Citizens Advice Bureau. You can also contact the British Insurance Brokers' Association (www.biba.org.uk) to find an insurance provider in your area.

How do I declare my vehicle as off the road (SORN)?

If your vehicle is taxed and you would like to take it off the road you should return the disc and make a SORN using a V14 application form which is available from Post Offices or online at www.direct.gov.uk/vehicletaxrefund.



For more information about CIE visit:

Directgov: www.direct.gov.uk/stayinsured

For more information about motor insurance visit:

askMID: www.askMID.com

Association of British Insurers: www.abi.org.uk

British Insurance Brokers' Association: www.biba.org.uk

For more information about financial help and advice visit:

Citizens Advice Bureau: www.citizensadvice.org.uk

Which?: www.which.co.uk

