

# MIB - Strategic Review

Future direction: 2016 - 2020



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# Chair's introduction

There is clear recognition of the value MIB creates, both in terms of its traditional role and its expanded remit of data asset management



The MIB, established in 1946 to compensate the victims of uninsured and untraced driving, has seen its role develop significantly. Whilst our primary role remains largely unchanged, success in developing and managing additional services for the benefit of the membership, the insurance industry more widely and the public, has resulted in significant growth, both in terms of the scale and scope of the services that we now provide.

In particular the past 10 years have been a period of substantial change for MIB. We have made significant progress in reducing the level of uninsured driving and

consequently seen the levy reduce from a high of £417m in 2008 to its current £250m. MIB's creation of the Motor Insurance Database (MID) to address the issue of uninsured driving has been a major factor in managing the MIB levy while its build resulted in MIB developing capability and expertise in data asset management and a reputation as a 'go-to' organisation for the delivery of industry data initiatives such as the Employers' Liability Database (ELD) and MyLicence.

Looking ahead, the insurance industry is entering an era of far-reaching change as society embraces the benefits that technology brings. For example, autonomous vehicles and device interconnectivity will bring profound change to the environment in which we operate. There was a need, therefore, to pause and to reflect with Members and stakeholders on the Bureau's future direction to ensure it is consistent with their expectations over the next three to five years.

The overall message from the review has been consistent: there is clear recognition of the value MIB creates, both in terms of its traditional role and its expanded remit of data asset management. However, protecting the unique, independent position of MIB is critical to its future success. While MIB should further develop the data asset management role to benefit the industry, this growth should be carefully managed to ensure that we do not lose focus on our traditional core areas.



Whilst the pace of technological development is accelerating and changes are already evident in the motor insurance market, the fundamental changes that will flow from the widespread use of semi and fully autonomous vehicles are probably beyond the three to five year time horizon of our more detailed analysis. However, there are longer-term implications for the UK insurance market which stimulate debate including the interaction of the impact of autonomous technologies and Periodical Payment Orders (PPOs) on the MIB levy. Monitoring ongoing developments is essential and we will continue to work with the Department for Transport, Association of British Insurers (ABI) and Thatcham Research to understand the legal implications of these and other market changes and to model the potential impact on MIB's levy. The intention is to undertake a separate initiative to model these interactions during the second half of 2016.

The enthusiastic response from those participating in the strategic review through to the quality of their feedback and the value of their constructive contributions cannot be overstated. I and the MIB Board would like to thank every individual and organisation involved for taking the time to contribute such considered responses.

Capturing what we heard through the review process, we have worked to build a new plan which we are now implementing. Our plan detailed within this document outlines our strategic direction over the next three to five years. It takes into account industry and stakeholder views while reflecting the need for MIB's unique, independent position to serve the industry and the public and we will continue to do this with commitment, professionalism and passion.

A stylized signature of Steve Maddock, consisting of a series of loops and a final flourish.

**Steve Maddock**  
MIB Chair



# Our mission

In order to effectively serve the insurance industry and the public, MIB's activity is underpinned by a mission statement. This mission statement forms MIB's strategic objectives.

## MIB's mission

To operate as a centre of excellence in order to:

**Significantly reduce the levels and impact of uninsured and untraced driving in the UK.**

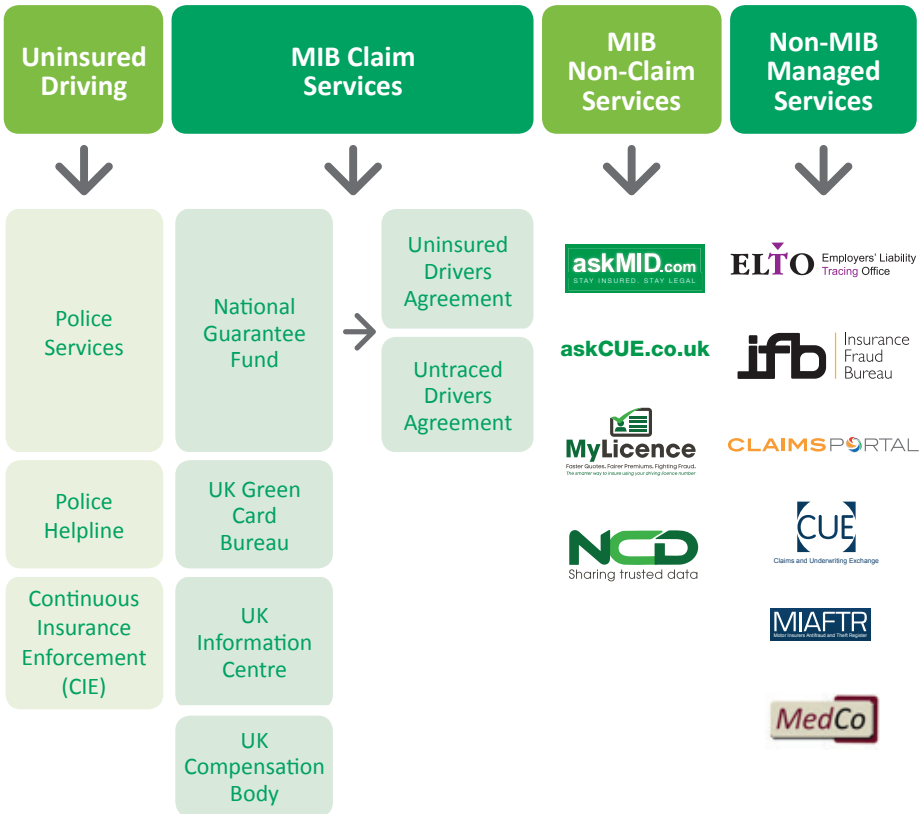
**Compensate victims of uninsured and untraced drivers fairly and promptly.**

**Provide first-class outsourced services for cross-industry data asset management.**



# The services we provide

MIB is a unique part of the UK’s insurance market, in that we are a company which is limited by guarantee and operates on a not-for-profit basis. The services we provide form a significant part of the common infrastructure utilised by the insurance industry, particularly in reducing fraud within claims and increasingly providing information at the policy application stage.



# Chief Executive's comments



## Our values guide and inspire us and reflect the ethos of MIB



Our organisation is continuing to evolve and develop as the range of services that we provide now spans across the enforcement, government, insurance, legal and medical sectors. Co-ordinating the strategic review has been a hugely valuable experience as the feedback we have received is enabling us to ensure that MIB meets the challenges of the external environment and the requirements of the insurance industry.

The feedback from everyone has been extremely important in helping us to determine the priorities for the next few years and I would like to add my own personal thanks to all those who have given their time so willingly to provide us with these valuable and insightful contributions.

The team working at MIB is fundamental to the success of the business. We have a distinct focus on high ethical standards, excellent customer service and good governance in our approach to day-to-day activities. We remain very much aligned to the work and principles of the CII (Chartered Insurance Institute). Our values guide and inspire us and they reflect the ethos of our organisation. I am proud to be a part of MIB.

### Our values:

- We conduct ourselves in accordance with the highest ethical principles
- We put our customers first
- We make a difference together
- We take pride in what we do
- We respect each other
- We are compliant with all relevant law and regulations

A stylized signature of Ashton West OBE, written in a cursive, grey font.

**Ashton West OBE**  
Chief Executive



# Reviewing our strategic direction: methodology

The review was structured to enable MIB to test the future validity of the current mission statement. Using a range of quantitative and qualitative techniques to receive input from Members and key stakeholders, the data gathered was analysed to identify recurring themes. This information was used to formulate our key findings which were then presented to the MIB Board.

## Engaging with the insurance industry

### Membership survey

An online survey was opened to the MIB membership and received a response rate equating to 70% of industry market share in terms of Gross Written Premium.

### Workshops

Two workshops were hosted. The first involved members of MIB's Technical Committee and the second with MIB's Executive Management Team. A questionnaire was also completed by the Executive Management Team.

### Insurance industry interviews

To complement the quantitative approach, 17 interviews were held with Board Member organisations, additional insurers and client companies including Claims Portal Limited and the Insurance Fraud Bureau (IFB).

## Engaging with other stakeholders

15 interviews were held with key stakeholders and strategic suppliers.



# Our thanks

## Our thanks to the following organisations which contributed to MIB's strategic review

Acromas Insurance Company Limited	Equity Red Star
Admiral Insurance Company Limited	esure Insurance Limited
Ageas Insurance Ltd	Experian Ltd
AIG Europe Limited	HDI - Global SE - UK
Allianz Insurance Plc	Insurance Database Services Limited
Association of British Insurers	Insurance Fraud Bureau
Atlas Insurance PCC Limited	International Insurance Company of
Aviva Insurance Limited	Hannover SE
AXA Corporate Solutions Assurance	Liberty Insurance Limited
AXA Insurance Plc	Lloyd's Market Association
BLM	Liverpool Victoria Insurance
British Insurance Brokers' Association	Company Ltd
Canopus Managing Agents Ltd -	Metropolitan Police Service
Syndicate 4444	Newwater Insurance Ltd
Casualty & General Insurance Company	NFU Mutual Insurance Society Limited
(Europe) Limited	Novae Syndicates Limited
Catlin Insurance Company (UK) Limited	Polaris UK Limited
Central Motorway Police Group	QBE (Insurance) Europe Limited
CGI Group Inc	RSA Group
China Taiping Insurance (UK) Co Ltd	Sabre Insurance Company Limited
Claims Portal Limited	Southern Rock Insurance Company
Co-operative Insurance Society General	Limited
Insurance Ltd	St Bernard Assure Limited
Cornish Mutual Assurance Co Ltd	Thatcham Research
Covea Insurance Plc	Tokio Marine Kiln Syndicates Limited
Department for Transport	Tradewise Insurance Co Ltd
Direct Line Group	Tradex Insurance Co Ltd
Driver Vehicle and Licensing Agency	Weightmans LLP
Employers' Liability Tracing Office	Zurich Insurance plc
Equifax Limited	



# Reviewing our strategic direction: outcome

## Reducing the impact of uninsured and untraced driving

We want to significantly reduce the levels and impact of driving without insurance and 'hit and run' incidents in the UK.



## Our achievements

MIB is at the heart of the fight against uninsured and 'hit and run' driving. We have worked closely with the government and the insurance industry to reduce the number of uninsured drivers on our roads from almost 2 million in 2005 to 1 million in 2016.

As a result of the introduction of police powers to seize uninsured vehicles in 2005, over 1 million vehicles have now been seized. MIB's Police Helpline service has helped to support this enforcement activity by handling over 1.1 million enquiries from roadside policing teams calling to identify if a vehicle has the correct insurance.

Since 2009 we have implemented public awareness campaigns, including the launch in 2015 of the Gone in Seconds awareness campaign which is aimed at younger drivers and delivered through social media channels. The campaign video has been viewed by over 1.5 million people.





## We heard

- MIB plays a vital role on behalf of the industry and protecting our independence is critical if we are to maintain a credible and potentially influential voice with key decision makers.
- The uninsured problem of today is very different to the issue that we set out to resolve when the MID was initially set up; we need to understand how best to tackle today's problem and consider if we have the right tools needed to successfully deliver further significant reductions.



## Our plan

- Review the issue of uninsured driving as it manifests itself today and develop a new strategy that is directed at today's economic, social, technical and legal challenges.
- Continue to increase the awareness of uninsured driving tailoring the campaign messages to align with the findings identified from the work above.
- Use the findings from the research work being undertaken by the University of Leicester to develop a strategy to effectively tackle the challenge of 'hit and run' incidents and thereby reduce the cost of untraced claims.
- Work with industry partners to monitor the impact of semi-autonomous and autonomous technologies in vehicles and ensure we are positioned to deal with resultant change effectively and efficiently.



# Compensating victims of uninsured and untraced driving

We want to compensate victims of uninsured and 'hit and run' drivers fairly and promptly.

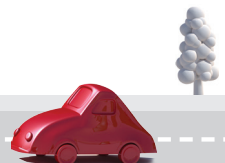


## Our achievements

We work to satisfy the needs of our diverse customers from claimants and solicitors through to insurers' operational teams. Everyone we deal with is protected by our Customer Charter. To check that we put customers first, we regularly conduct a customer engagement survey. Our most recent annual score, conducted in 2015, received a net satisfaction score of 79.6% compared to a target of 75.0%.

Detecting fraudulent claims attempting to target the 'fund of last resort' for victims is an area where we remain vigilant for the benefit of the honest premium-paying policyholder and the insurance industry. Our dedicated fraud team works closely with police, regulators and other interested parties to investigate suspicious claims and over the past 10 years we have made fraud savings of £108 million.

In 2015 a new Uninsured Drivers' Agreement was introduced. The agreement, reviewed in partnership with the Department for Transport, provides a framework within which the MIB provides compensation. The new version is shorter and easier to understand while reflecting changes in law and practice since its 1999 predecessor.





## We heard

- Claims volumes, whilst not inconsistent with industry trends, are a concern given recent increases and the likely impact of some regulatory changes – MIB must remain on top of managing this trend.
- We should review how we deal with complex cases, where there is a potential insurer liability. Article 75 was developed many years ago in an insurance processing world very different from today. There is an appetite to consider whether Article 75 should remain and if so should it be revised.
- There is a view that there should be an industry discussion on Periodical Payment Orders to claimants and that MIB could help to lead this.



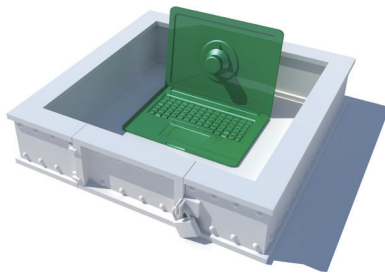
## Our plan

- Work to understand and address the rise in claims volumes, including the likely impact of new legislation.
- Undertake a review of Article 75 including the ongoing need for it.
- Revisit the business case for a new claims system to ascertain what additional efficiencies can be achieved and where value can be added, particularly from a business intelligence perspective.



## Providing data asset management services

We want to provide first-class outsourced services for cross-industry data asset management.



### Our achievements

Databases delivered by MIB for the benefit of the public and the insurance industry include the MID, askMID, MyLicence, the ELD, the management of the Claims Underwriting Exchange and the Motor Insurers AntiFraud and Theft Register.

More recently MIB has developed the askCUEPI web-service facility and the Ministry of Justice (MOJ) initiative, MedCo. Both of these projects formed part of the MOJ's reform of the civil justice process for personal injury claims and we supported the ABI to deliver these.

In the world of 'big data', making sure our governance arrangements are appropriate and effective are a key priority. This is reflected in the fact that we have been awarded ISO 27001 accreditation for the Information Security Management System and ISO 22301 for the Business Continuity Management System. We continue to work to maintain these standards.

### We heard



- MIB's data asset management role should continue to develop. We should also focus on further strengthening the IT governance and information security capabilities.



## We heard



- A clear message is that MIB could play a key role in developing an industry-wide data asset management strategy and, through its governance structure, potentially develop an advisory committee to look at how cross-industry data can be maximised for the benefit of the industry.
- MIB should also consider where the boundaries should lie in its management and development of data services – e.g. mining and analysis of data versus the enrichment of data.

## Our plan



- Develop an industry data management strategy, including consideration of how MIB might leverage industry assets to benefit all of its Members and the industry as a whole and grow confidence in the quality and security of industry data and knowledge.
- Explore the potential for creating an industry data asset management advisory committee along lines similar to those used by the IFB and the Employers' Liability Tracing Office in respect of the technical output of their operations.
- Develop an IT strategy for MIB operations that supports the range of business disciplines now covered by MIB and enables them to adapt as industry needs develop.
- Through the recently established internal IT Governance Board, undertake a thorough review of existing security controls for all managed data assets, set against a recognised enterprise risk management framework and information security maturity model looking, in particular, for ways to improve security and increase monitoring of potential inappropriate usage by legitimate users.
- As a result of what we heard we are implementing a small change to this element of the mission statement. It is now: to deliver first-class, secure, data asset management and analytical services on behalf of our Members and the industry.



# Additional themes from the strategic review

In addition to feedback against the current mission statement and strategic objectives there were two key themes emerging:

- to enhance the insurance industry's reputation by delivering reliable and valued services and advice
- to provide and support thought leadership on relevant topics, in particular uninsured and 'hit and run' driving and data asset management.

## Enhancing the insurance industry's reputation

### We heard



- MIB holds a unique, trusted place within the insurance industry.
- The creation of the ELD, so that it is easier for members of the public and insurers to search for employers' liability policies, has helped to enhance the industry's reputation.
- The delivery of MyLicence at the request of the industry is another example of how MIB is supporting insurers.
- People see strong governance as an important factor in terms of maintaining MIB's reputation for neutrality – they want MIB to remain open and transparent and see opportunities for further sharing of experience.
- As MIB-industry solutions develop, MIB needs to ensure that it has the appropriate skillset to fully understand the implications.





## We heard

- There is room to improve industry awareness in areas such as MIB structure (why it is the way it is), its remit and the scope of the services it provides.
- Attracting the right talent and succession planning were raised as areas of concern with a number of people stating a more established London presence would be valued and beneficial, help with the recruitment of some key resources and also facilitate easier liaison with insurers and other key stakeholders.
- A number of respondents felt MIB could further develop how it shares its experience with Members and strategic suppliers while also learning from these organisations.

## Our plan



- Develop an engagement strategy that builds upon the relationships MIB has with Members and external stakeholders to increase awareness of what it does and the value it provides, but always ensuring the neutrality of MIB is protected at all times.
- Ensure MIB is organised and resourced to meet the developing needs of Members and key stakeholders in an efficient and effective manner, including establishing a London presence. This should cover appropriate talent management capabilities, leadership skills and ensuring suitable succession plans are in place for all key roles.
- Investigate the potential to build and formalise the sharing of experience with key stakeholders to best effect.



# Providing and supporting thought leadership

## We heard



- The confidence expressed in MIB results in a view that it could develop its industry role and provide thought leadership including potentially leading industry discussions in certain areas. Examples provided were Periodical Payment Orders to claimants, the consequences of the Deregulation Act, the implications of the claim by Slovenian farmer, Vnuk, on the British and European motor insurance sector and leading research into the cost/impact on NHS resources of whiplash.
- In all such discussions, care must be taken not to compromise MIB's neutrality.
- As the MIB role develops, careful consideration will need to be given to the boundaries that sit between MIB and the ABI to ensure that the harmonious relationship is maintained.

## Our plan



- Contribute to industry-wide discussions relating to the Vnuk case and the impact of autonomous vehicles, in particular, the legal regime in which they will operate.
- Liaise with the ABI to explore the industry appetite for a wider debate on common approach to the issue of Periodical Payment Orders to claimants.
- Commission the Department of Criminology at the University of Leicester to undertake independent academic-based research to identify uninsured and 'hit and run' driver behaviours and motivations. We plan to use these findings to develop interventions and preventative strategies.



# Our new mission

The MIB Board has endorsed the proposal to change an aspect of the mission statement relating to data asset management services. As before, the mission statement forms our strategic objectives.

## New MIB mission statement

To operate as a centre of excellence in order to:

Significantly reduce the levels and impact of uninsured and untraced driving in the UK.

Compensate victims of uninsured and untraced drivers fairly and promptly.

Deliver first-class, secure, data asset management and analytical services on behalf of our Members and the industry.

# Our strategic objectives

## What impact do we want to make?

### Strategic objective 1

We want to significantly reduce the levels and impact of uninsured and untraced ('hit and run') driving in the UK.



### Strategic objective 2

We want to compensate victims of uninsured and untraced drivers fairly and promptly.



### Strategic objective 3

We want to deliver first-class, secure, data asset management and analytical services on behalf of our Members and the industry.



## Supporting objectives

### Strategic objective 4

We want to enhance the insurance industry's reputation by delivering reliable and valued services and advice.



### Strategic objective 5

We want to provide and support thought leadership on relevant topics, in particular uninsured and 'hit and run' driving and data asset management.



## How will we do this?

We will remain highly focused on ensuring that we fully understand the issues, how they are evolving and work closely with our strategic partners to adapt our approach accordingly.

We will continuously improve our claims handling to be a recognised centre of excellence which provides a consistent, fair, efficient and customer-focused claims service.

We will use our not-for-profit status to provide safe and secure solutions that inspire confidence in the value and quality of information provided, and develop our IT governance and data asset management capabilities to support this.

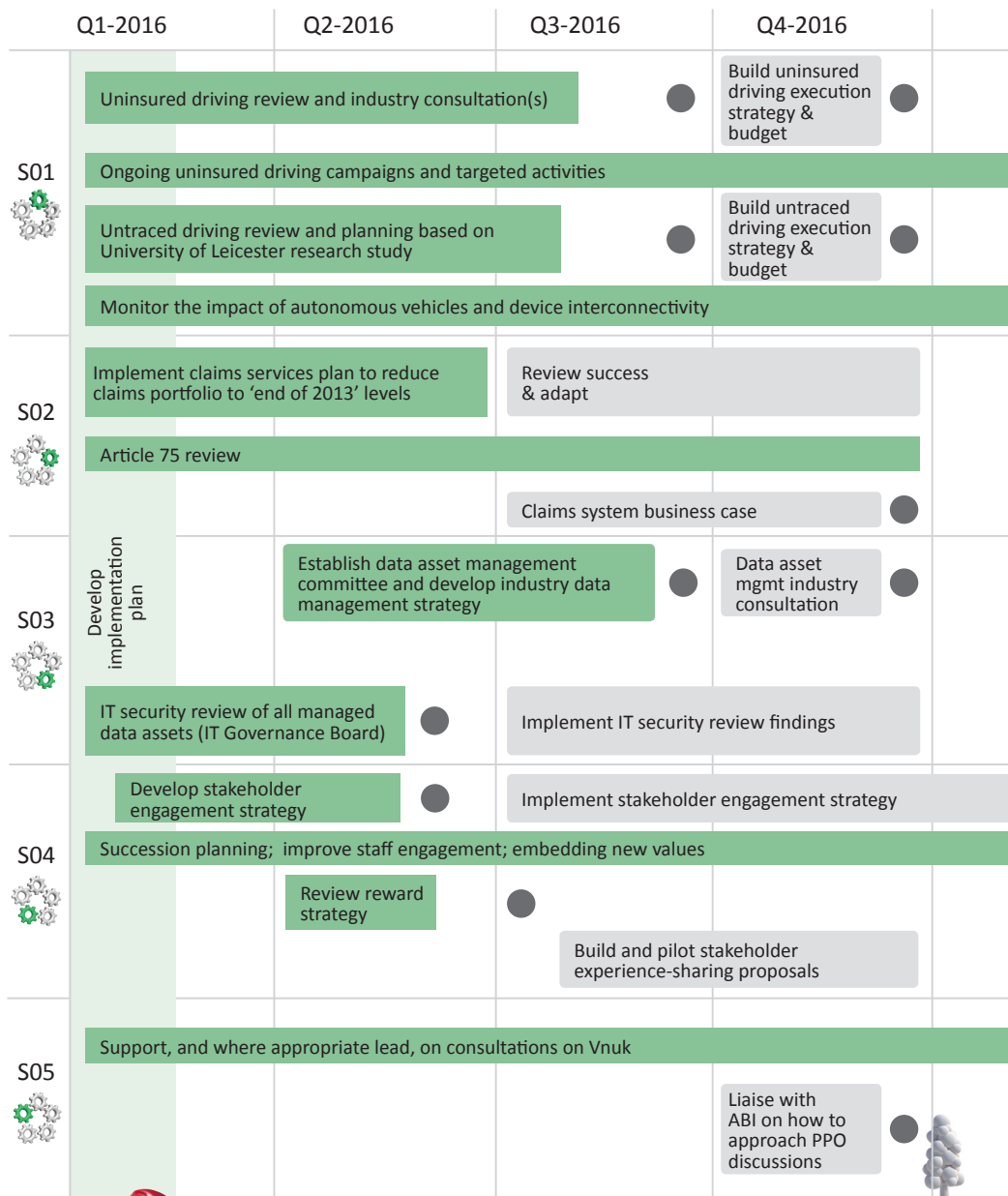
## How will we do this?

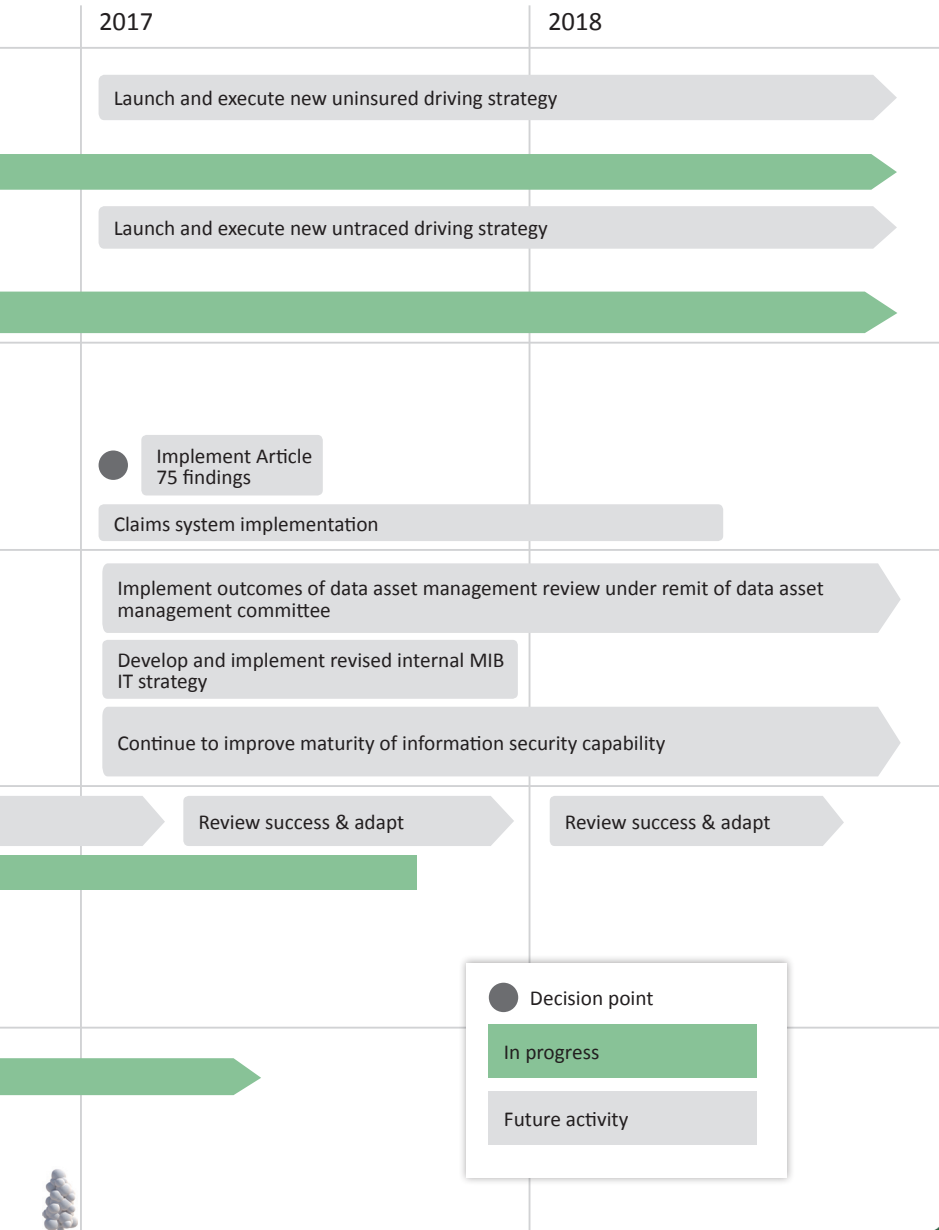
We will best represent the needs of our stakeholders by ensuring that we have the right resources in place to deliver our plan and by always protecting the neutrality of our position.

We will support, and where relevant lead, industry debate on key issues that impact MIB and the industry and where we can add value.



# Our plan in action







## Connect with MIB



[www.mib.org.uk](http://www.mib.org.uk)



Drive Insured



@DriveInsured and @AshtonWestMIB



Drive Insured

## MIB values



[www.mib.org.uk/about-mib/mib-core-values](http://www.mib.org.uk/about-mib/mib-core-values)

