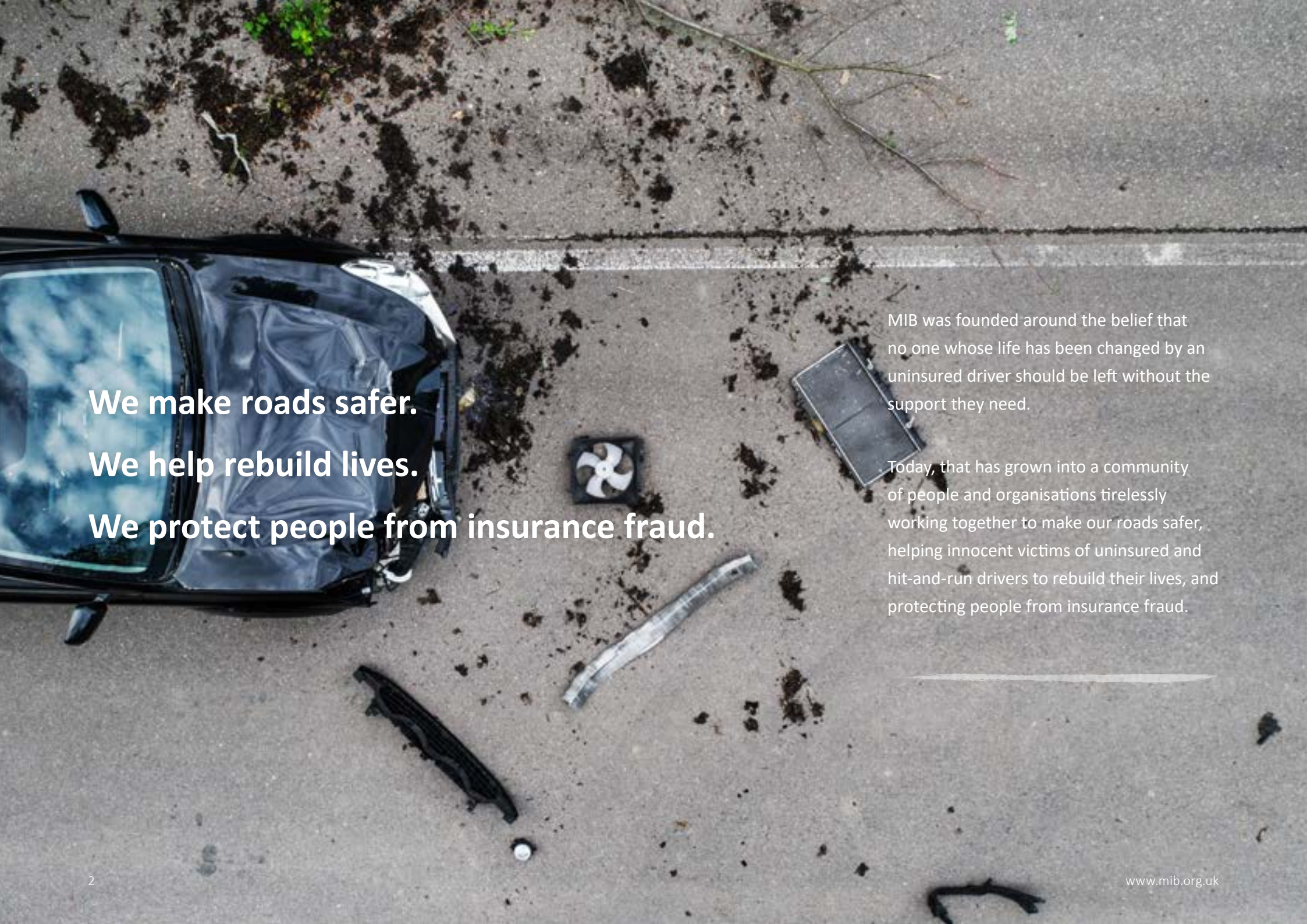




Learn. Adapt. Evolve.

Staying relevant in an ever-changing world

2022 Business Plan



We make roads safer.

We help rebuild lives.

We protect people from insurance fraud.

MIB was founded around the belief that no one whose life has been changed by an uninsured driver should be left without the support they need.

Today, that has grown into a community of people and organisations tirelessly working together to make our roads safer, helping innocent victims of uninsured and hit-and-run drivers to rebuild their lives, and protecting people from insurance fraud.

“

I dealt with MIB directly all the way through. They helped me in lots of ways, including travel costs to and from hospital, and arranged and paid for ongoing costs like physiotherapy, osteopathy and some counselling for my wife and me, to help with the emotional impact.”

Graham

Graham: My story



In 2019, Graham was riding his motorbike on familiar roads close to home, when he was hit by an uninsured driver. He suffered multiple serious physical injuries and emotional trauma that he is still recovering from today.

“In that split second, when I knew he was turning and going to hit me, I knew I was going to die. I didn’t think I was going to die, I *knew* it. So, it was a big surprise to find myself alive, albeit lying in the road in a lot of pain. I suffered a punctured lung, cut spleen, broken pelvis, torn rectum, broken ankle and multiple broken ribs.

“I was in hospital for 102 days, moving between intensive care and different wards as part of a long recovery process and multiple operations.

“The physical injuries were painful, but the emotional impact has been significant too. There were times in hospital when I wondered if I was ever going to get out of the place. Even when I was out of bed I couldn’t stand up for more than 30 seconds and you start to wonder what life is going to be like. I had one particularly bad week when I was in tears most days because I couldn’t see an end to it. My wife suffered too. It has been enormously hard for her, all the hours travelling to and from hospital every day, and all the stress that has come with it.

“I found out about MIB when I was in hospital. The police told me the driver was uninsured and I was fretting over what would happen, so when I felt well enough I sat up in bed and starting searching online.

“I found MIB and filled out their online form. To be honest I had no idea whether my case was appropriate, but MIB couldn’t have been better. They contacted me saying my case was probably something they could help with, and suggested I consider getting a solicitor to help me with the process. I didn’t want to do that so I dealt with MIB directly all the way through. They helped me in lots of ways, including travel costs to and from hospital, and arranged and paid for ongoing costs like physiotherapy, osteopathy and some counselling for my wife and me, to help with the emotional impact. They also provided an exercise bike to help my rehabilitation at home.

“I was on crutches for ten months and progress has been slow, but the consultants are amazed with how much I’ve improved. They told me that five years ago they would not have had the technology to save me. They are also amazed at how well I have recovered as most open book pelvic fractures have fairly poor outcomes. Now, I can walk but need to sit down frequently, and I need to get used to sitting with discomfort. I have limitations, and probably always will, but I’m grateful for the progress I have made and MIB played an important role in that. It’s difficult to put into words how much harder this experience would have been without MIB.”



“

Many ghost brokers are ruthless and dangerous offenders. They target the most vulnerable, especially younger drivers who are often unaware that their insurance is worthless.”

Aidan

DC Aidan Kersley: My story

Since March 2021, DC Aidan Kersley has been part of Operation Mirage, an ongoing effort to disrupt online insurance fraud.

“The main aim is to make life difficult for fraudsters by cutting off the resources they need to operate. That could be a website, social media profile or phone number.

“Much of the work which I am doing targets ghost brokers (individuals or organised groups selling fake insurance or policies obtained through fraudulent activity). Some people see ghost broking as an obscure offence that does not really harm anyone – but that could not be further from reality.

“Many ghost brokers are ruthless and dangerous offenders. These criminals tend to target vulnerable people, especially younger drivers, who are often unaware that their insurance is worthless until they are involved in an accident or try to make a claim. They make money by putting uninsured drivers on the roads, putting the driver and the public at risk. Many of their victims will also face the legal consequences when the police stop them for driving without valid insurance. This is not about saving people money on their insurance – it is extremely dangerous.

“Intelligence from the Insurance Fraud Bureau (IFB) plays a vital role in helping us quickly shut down the most harmful entities,

limiting the number of people they harm. That is because the longer these profiles or websites are active, the more they spread and establish a reputation. Taking down a website or phone number before they build momentum can also have a significant financial impact on the offenders.

“When we ran a ghost broking week of action, the IFB supported us with many intelligence reports, which helped take down more than 50 social media profiles in just a few days. I recall one website in particular which was as slick and professional as any multinational company’s website. This level of sophistication is often a sign of people with the right skills being recruited by an organised crime group.

“Thanks to our relationships with service providers and social media companies, it did not take long to shut down the entire operation. The engineering student responsible for the website was served a Cease & Desist notice from the police, advising him to end his short-lived career as a ghost broker.”

DC Aidan Kersley, Online Disruptions Officer
Insurance Fraud Enforcement Department (IFED)
City of London Police



Uninsured and hit-and-run drivers cost
the UK economy **£2 billion** a year

Now more than ever, it's those who adapt that survive

A word from Dominic Clayden, CEO

Politically, culturally and socially, we are living in unprecedented times. In a landscape that's moving so fast, planning for change has become the new normal.

As CEO, I have always believed that the best way to succeed in this challenging new context is to build an organisation designed for an environment of constant change.

The last three years have been about building the foundations we need for the future. We've invested in new technologies, evolved our culture and changed our structure to create the more modern and agile organisation we see today.

Focusing on what matters

There's still a lot to do to deliver the changes we need to be relevant and successful in the future. And so, it's more important than ever that we remain focused on the things that matter to our members, customers and the future of our organisation.

It's also vital that we continue to use the resources we have efficiently, so we are ready to invest in further improvements as the needs of the market evolve.

Getting the best from what is already here

While the work to modernise our services will continue, much of our strategy for 2022 is about maximising the improvements we have already invested in.

We'll continue to improve our claims services for victims of uninsured and hit-and-run drivers. And with Official Injury Claim now live and progressing well, we'll shift our focus to refinements that will make the experience for our customers even better.



Improving the way we manage risk

In these times of huge change, we must balance improving our controls environment against the need to continue evolving the way we do things.

In the year ahead, we'll focus on creating an environment where everyone has the information and skills to make informed decisions, while mitigating potential risks to our finances, services and reputation.

Alongside the changes we're making to modernise our services, these improvements will play a vital role in helping MIB remain relevant in the years ahead.

Creating a dynamic digital culture

As the world evolves, we'll continue to create a culture where adapting to the changing needs of the market is a normal part of the work we do. We'll go further than ever to support our people in developing the skills they need for the future. And we'll maintain our focus on creating an employee experience that makes people feel connected to our organisation and its purpose.

The story continues

Together, we'll continue working to make our roads safer, helping innocent victims of uninsured and hit-and-run drivers to rebuild their lives, and protecting people from insurance fraud. And yet, despite the challenges, the opportunities mean there has never been a better time to go further. Let's create a world where the consequences of uninsured drivers and insurance scams are a thing of the past.



Dominic Clayden, CEO

“

Together, we'll continue working to make our roads safer, helping innocent victims of uninsured and hit-and-run drivers to rebuild their lives, and protecting people from insurance fraud.”

Our promises for 2022

1

We will focus only on what our members and customers need

2

We will get the best from the improvements already underway

3

We will continue to invest in our culture to make people shine

4

We will continue to evolve the way we manage risk

Delivering for the people who rely on us

PROMISE

1

We will focus only on what our members and customers need

In today's rapidly changing insurance market, the need for high-quality data available in real-time is accelerating.

Now more than ever, it's information that makes the work we do together possible.

For insurers and the police on the frontline against uninsured drivers, the Motor Insurance Database (MID), the only central record of UK motor insurance, continues to play a vital role. The information we share through our Motor Insurance Anti-Fraud and Theft Register (MIAFTR) is critical to stopping fraudsters from putting dangerous written-off vehicles back on our roads. And by making it easy for insurers to share information across major insurance products, the Claims and Underwriting Exchange (CUE) remains a powerful weapon in the fight against fraud.

Building the future of the MID and MIAFTR

In today's rapidly changing insurance market, the need for high-quality data available in real-time is accelerating.

And so, after months of refining a set of detailed requirements together with our members, in 2021, the MIB board approved our proposed approach to modernising the MID and MIAFTR.

In 2022, we'll begin designing and building the scalable platform we need for the future. When fully implemented, this will lay the foundations for sharing information in real-time, deliver significant cost savings for our members and give us the flexibility to adapt when required.

With the MID and MIAFTR serving more than 200 organisations, moving to a new platform will require careful planning. To make that

easier, we'll produce migration plans to help our members overcome some of the challenges they face.

There are still questions that need to be answered to deliver everything the insurance industry needs from the next generation of CUE, which we'll continue working on in the year ahead.

Improving the way we communicate

Research in 2020 showed that awareness of MIB and the impact we have is low. This can affect our reputation in the industry, make it more difficult for people to get the support they need and make it harder to attract the best talent. In 2022, we'll make significant steps to improve our communications channels, so more people understand MIB's critical role for the insurance industry and wider society.

Helping our members stay ahead of the latest insurance scams

With well-organised criminal networks moving quickly to establish sophisticated scams linked to cybercrime and identity theft, technological innovations have never been more critical.

Through the Insurance Fraud Bureau and in partnership with Shift Technologies, we will build a new fraud detection solution that uses artificial intelligence to deliver next-generation fraud analytics. We'll also better integrate our existing systems and products to focus resources and respond to new threats faster. And we'll invest in making sure our people have the up-to-date skills needed to disrupt today's complex fraud networks.

It's time to build on what we started

PROMISE

2

We will get the best from the improvements already underway

Having made improving what we do a normal part of every day, we are already seeing the benefits of a more modern and efficient organisation.

With so much transformation over the last few years, it would be easy to keep adding new products, systems and processes whenever we hit a challenge. From a financial perspective, and in the interests of our people, we must avoid falling into that trap and instead make sure we optimise what we have already committed to wherever possible.

Making it easier than ever for victims of uninsured and hit-and-run drivers to get the support they need

In 2021, we laid the foundations for a more modern and efficient claims experience by migrating all open claims to a new digital system.

Building on our commitment to settle claims fairly and promptly, we'll further improve the tools we use to process claims, reduce our reliance on manual processes, improve the

accuracy of our automated solutions and give line managers the real-time data they need to identify enhancements as soon as they are needed. To keep the cost to our members as low as possible, we'll also continue to invest in the up-to-date skills we need.

Building a community where data informs everything we do

Like many organisations, we rely on data that's accurate, relevant and easy to access to inform the improvements our customers need.

Building on the progress we made in 2021, we'll improve our data management maturity score from 1.3 to 2.7 by the end of 2022. We will also continue to migrate the data we rely on to a modern, secure cloud platform and continue to use innovative tools that bring data to life for our people.

Further reducing our annual operating costs

Having made improving what we do a normal part of every day, we are already seeing the benefits of a more modern and efficient

organisation. We've replaced many manual processes with digital solutions, simplified our structure and we are continuing to create a culture where everyone has a responsibility to deliver the best possible service at the lowest possible cost. And so, we are committing to reduce our annual operating costs by a further 10% to £26.3 million by the end of 2022.

Making Official Injury Claim even better

With large numbers of claims progressing through the system and the support centre now established, we will focus on delivering a small number of refinements to make the service even better. We'll also continue to share data with the Ministry of Justice to support the government in informing future policy.

A great business requires great people

PROMISE

3

We will continue to invest in our culture to make people shine

Over the last few years, we've made huge progress in our aims of enhancing our culture and investing in our people. We entered 2021 on the back of a 4.1 Gallup engagement score – the highest ever result for a UK organisation in its first year of undertaking the survey.

We completed the initial development programme for our senior leaders and launched a development programme for all line managers across the business.

Learning from our experiences on our mission to become an employer of choice

Despite our clear successes, there's no doubt 2021 was a challenge for many of us. A period of organisational design to modernise the business was understandably unsettling, and we know the combination of our continued drive to transform and the ongoing challenges of working from home has been exhausting. Those challenges have made us more determined than ever to make

sure our employees – and future employees – are excited about the work they do alongside inspirational leaders and amazing colleagues. This is important because we want people to come to work with a smile on their face every day. We know that helps achieve great results and it's crucial for well-being. But it's also important because by investing in our people we know we are improving and diversifying capabilities to become a digital and data-led business.

Developing leaders of the future

One of the most exciting initiatives for 2022 is the launch a new three-year development strategy which will build the skills, leadership

capabilities and performance to exceed goals. This will result in upskilling and reskilling our existing workforce, which we believe will improve retention because people will see there are strong career opportunities at MIB.

Next year we will continue to digitise HR by introducing the first stage of a new system, starting with an applicant tracking system.

The work to strengthen how we communicate the positive impact we have will enhance our employer brand, which will support our mission of consistently attracting brilliant people.

We strive to make sure the promises we make are not just words on a page, so we

The work to strengthen how we communicate the positive impact we have will enhance our employer brand, which will support our mission of consistently attracting brilliant people.

will continue to set ourselves targets which are stretching but realistic to show we are a genuine employer of choice. These include a Gallup engagement score of 4.06, attrition less than 10% and an average Glassdoor rating higher than 3.0.

Underpinning everything we do will be our ongoing commitment to humanise the employee experience to further embed a culture which is a frontrunner in diversity, collaboration and well-being, and where everyone has the highest standards in behaviour in line with the MIB Principles: customer first, inspire and think big.

A world without risk is a world without opportunity

PROMISE

4

We will continue to evolve the way we manage risk

Now more than ever, we must balance potential risks against the need to continue innovating and driving our organisation forward.

Creating the right culture

Managing risk will always be fundamental to MIB's role in the world. But in today's changing landscape, the nature of those risks never stands still. And so, we must evolve our approach to risk-based decisions.

In the year ahead, we'll build on the progress we've made, creating a culture where mitigating a broad range of risks is at the heart of every decision we make. Whether that's anticipating threats to our finances, working with new partners, protecting our services from fast-moving security threats, complying with the latest regulations, improving the way we communicate or making sure everything we invest in delivers what our members and customers need.

Empowering our people to make the right decisions faster

We'll create a workplace where everyone has the information, tools and skills to make the right decisions quickly – an environment where creative change-makers, technical specialists and risk-management experts work together as one.

To make that possible, we'll replace complex rules and processes with high-quality information that's easy to use and access. We'll also change the way we talk about risk, creating a positive narrative where change and control coexist as part of our future vision.

These changes will bring greater diversity to decision making, help us use resources

more efficiently and improve our employee experience, while giving our people the clarity and confidence to deliver the changes our members and customers want to see.

Protecting the services our members rely on

Trusted by many to keep their data secure, we are always looking at what else we can do to protect MIB from the latest security threats.

Two years of our cybersecurity maturity programme have already delivered a level of protection that is ahead of many organisations in the insurance industry.

In 2022, wherever it is safe and practical, we'll automate data security decisions to focus expertise and resources in the areas where they are most needed. And to help us anticipate new threats as early as possible, we'll identify risks using patterns of suspicious behaviour rather than narrow rules.

Managing risk will always be fundamental to MIB's role in the world. But in today's changing landscape, the nature of those risks never stands still. And so, we must evolve our approach to risk-based decisions.

Someone is injured by an uninsured or hit-and-run driver
every 20 minutes



Keeping us accountable

Our measures of success in 2022

Our four promises will be at the heart of everything we do in 2022. Of course, we also remain committed to delivering our work for the industry year on year. Here are our KRIs for 2022.

Business area	Key result indicator	2021 target	2021 current/est	2022 target	Gold	Green	Amber	Red
Enforcement	Reduction in new claims – Uninsured	7,750	9,769	11,000	<=10,000	<=11,000	<=12,000	>12,000
	Reduction in new claims – Untraced	18,000	17,793	18,000	<=16,200	<=18,000	<=19,800	>19,800
	Police seizures ¹	130,000	135,500	130,000	>=140,000	>=130,000	>=120,000	<120,000
Claims	Claims customer satisfaction ²	75.00%	79.00%	75.00%	>=82.5%	>=75.0%	>=70.0%	<70.0%
	Quality audit	95.00%	95.50%	95.00%	>= 97.5%	>= 95.0%	>= 93.0%	<93.0%
	Leakage	2.60%	2.89%	2.60%	<= 2.35%	<= 2.60%	<= 3.20%	>3.20%
	Claimant lifecycle – open ³	320 days	331 days	320 days	<=320 days	<=320 days	<=350 days	>350 days

1 2021 internal target only not an Enterprise KPI.

2 Direct Claimants only.

3 MIB mainstream claims excluding GC overseas claims that MIB are unable to influence.

Business area	Key result indicator	2021 target	2021 current/est	2022 target	Gold	Green	Amber	Red
Data Services	Service availability (across multiple DBs)	0.9	0.99	0.9	>= 0.99	>= 0.90	>= 0.80	<0.80
	Client company (inc OICL) SLA	n/a	n/a	tbc – 1Q 22	tbc	tbc	tbc	tbc
People	Employee engagement (Gallup12 survey)	3.92	4.01	4.06	>=4.41	>=4.06	>=3.71	<3.71
	Gender pay – median	n/a	23%	18%	<=13%	<=18%	<=23%	>23%
Delivery and Change	Change initiatives – overall	GREEN	GREEN	GREEN	GOLD	GREEN	AMBER	RED
	Project revolution (MID and MIAFTR) – overall	n/a	n/a	GREEN	GOLD	GREEN	AMBER	RED
Finance	Claims spend (net of rec)	£372.5M	£368.8M	£417.0M	<=£404.5M	<=£417.0M	<=£429.5M	>£429.5M
	OpEx – BAU (exc one off items)	£29.3M	£29.3M	£26.3M	<=£23.7M	<=£26.3M	<=£28.9M	>£28.9M
	Other costs	£23.7M	£25.3M	£23.5M	<=£21.2M	<=£23.5M	<=£25.9M	>£25.9M
Compliance	Overdue internal audit actions	5.00%	0.00%	5.00%	0.00%	<=5.0%	<=10.0%	>10.0%
	Risk maturity score	3	3	3.5	>=3.8	>=3.5	>=3.2	<3.2
	Security maturity (NIST Score)	3.4	3.4	3.7	>=4.0	>=3.7	>=3.4	<3.4
	Data quality – data maturity score ⁴	1.6	1.6	tbc	tbc	tbc	tbc	tbc
	Data privacy maturity	2.1	2.1	4.24	>=4.54	>=4.24	>=3.94	<3.94

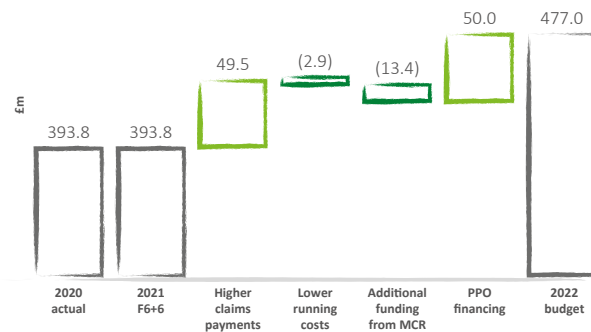
4 Data Quality – DMMA – Subject to approval

The finances

How we manage the money

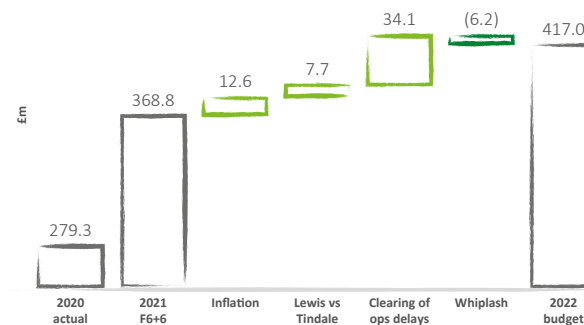
None of our plans for 2022 and beyond can be a success unless our finances are managed well. It's also important that you see where the industry's investment goes.

Levy



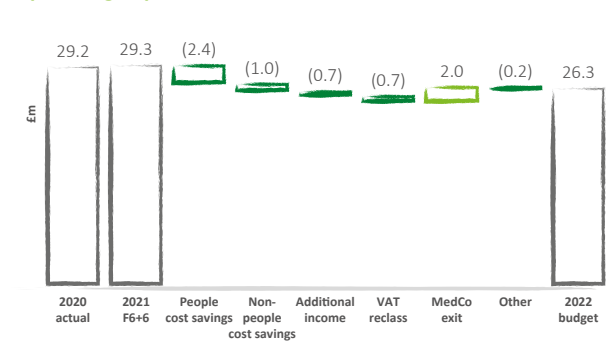
- Claims inflation of 4.0%
- COVID-19 continues to reduce and defer claims payments
- Plan to catch up on claims backlog in 2022
- LvT claims based on known claims
- Cost savings from OIC Ltd and BAU operating expenses
- PPO Levy and bad debt to be collected in 2022

Net claims



- Operational delays will continue to be cleared during 2022 as a result of 2021 migration to the new claims system
- Lewis vs Tindale increases in 2022 as a result of maturing of payments and anticipation of a large settlement
- An efficiency initiative called Project Drive will result in an increase in large claims payments as payments are made earlier

Operating expenses



- 10% reduction in BAU operating costs (£3m)
- 1.25% increase in employer's NIC and a 2.5% general payrise have been budgeted for in 2022 (offsetting some of the corporate restructure savings)
- Impact of MedCo exit has been budgeted

Profit and loss account (£m)

	2020 Actual	2021 F6+6	2022 Budget	Var
Levy income (inc PPO £50m)	393.8	393.8	477.0	83.2
Claims net of tecoveries	-279.3	-368.8	-417.0	-48.2
BAU operating expenses	-29.2	-29.3	-26.3	3.0
Terrorism reinsurance	-8.4	-8.4	-8.3	0.1
OIC Ltd and change	-22.3	-14.4	-11.9	2.5
Pension deficit and other	-6.5	-2.5	-3.3	-0.8
Surplus (deficit)	48.1	-29.6	10.2	39.8

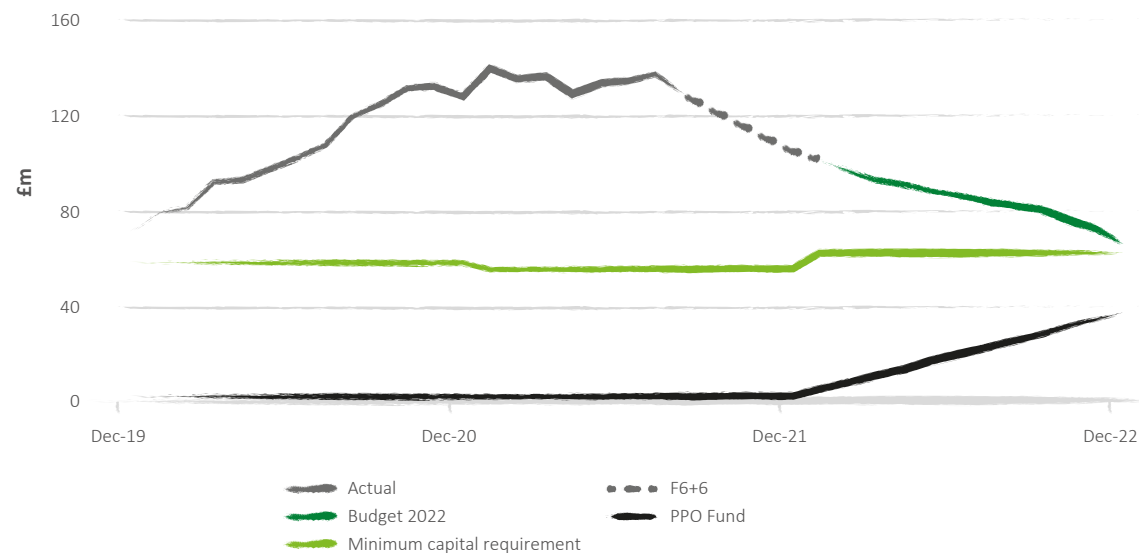
- Operational budget deficit (exc PPO) will be funded from reserves
- Cost savings from BAU operating expenditure and OICL Ltd

Balance sheet (£m)

	Dec 20	Dec 21	Dec 22
Receivables	2,836.3	2,863.9	2,813.2
Investments	121.0	101.0	62.1
PPO fund	0.0	0.0	35.0
Cash	4.3	4.3	4.3
Fixed asset	3.8	7.1	8.8
Total assets	2,965.4	2,976.3	2,923.4
Provisions	2,894.7	2,910.1	2,860.3
Liabilities	56.1	59.1	58.5
Pensions	12.9	5.4	2.9
Payables	1.7	1.7	1.7
Total liabilities	2,965.4	2,976.3	2,923.4

- Increased investments due to the PPO funding
- Increased fixed asset due to the office refurbishment in 2021 and data strategy in 2022
- Pension deficit top-up payment made in 2021

Cash and investments



- COVID-19 saw a reduction in claims paid along with a backlog created from the implementation of a new claims system in 2020 / 2021
- Catchup in claims payments anticipated during 2022
- Surplus funds utilised to reduce the levy and PPO funding collected

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