Motor Insurers’ Bureau

2023 Annual Report and Accounts

Group Company Number 412787

In this report

Clickable

The BIG Stuff

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The year in numbers

We supported more than

35,000 victims

of uninsured and hit-and-run driving

2,000+ pieces of media coverage

informed the public about the human and economic cost of uninsured driving

We continued our work to build

NAVIGATE

A powerful new platform that will transform the way we share information

Our police helpline answered

50,000 calls from the police

helping to quickly identify who is insured

We supported our members in settling

1,000+ claims

after a fire at Luton Airport

We saw around

1.5 billion

enquiries across our data services

an increase of **50%** since 2022

We worked with the police to seize over

129,000

uninsured vehicles

> I want to thank all my fantastic industry colleagues for continuing to put their trust in MIB and for all they do in support of the MIB Board. By volunteering their time, experience and expertise, and by acting as the voice of our industry, they make an invaluable contribution to the work we do.

FROM OUR CHAIRMAN

MIB was here to support more than 35,000 victims of uninsured and hit-and-run driving

In these challenging times, I'm proud to be part of an industry that remains committed to the success of MIB's vital work.

Last year, MIB supported more than 35,000 victims of uninsured and hit-and-run driving, from those dealing with the financial impact of an accident to helping people who have suffered the worst injuries imaginable.

The sad reality is that many more lives will be ruined by uninsured drivers on our roads – but by supporting Operation Tutelage, the MIB Enforcement Programme and Navigate, we're acting to make sure that reality is not the future.

I want to thank all my fantastic industry colleagues for continuing to put their trust in MIB and for all they do in support of the MIB Board. By volunteering their time, experience and expertise, and by acting as the voice of our industry, they make an invaluable contribution to the work we do.

Giving victims the high-quality service they deserve

By evolving core technologies and ways of working, MIB continued to make progress in creating a modern, efficient claims service that is easy to use and access. These efficiencies are helping our MIB colleagues continue improving the support they provide while ensuring complex cases get the time they deserve.

Keeping people safe on the roads

We are concerned that the cost-of-living crisis could lead to a rise in uninsured claims at a time when insurers are facing a sharp rise in their operating costs. To help mitigate that and keep people safe, the MIB Board has agreed an additional £5 million investment in a range of new ideas to get more uninsured drivers off the roads.

MIB's work with insurers and the police helped seize almost 130,000 uninsured vehicles in 2023, and despite these challenging market conditions, I'm confident that we will continue to build on that success.

> "MIB's work with insurers and the police helped seize almost 130,000 uninsured vehicles in 2023."

Strengthening relationships around the world

MIB also continued to work with its international partners to maintain the benefits of the Green Card system. Officially known as the Green Card Free Circulation Zone, the system allows motorists to travel to 46 countries without purchasing separate insurance at the border. Today, most are unaware of this remarkable achievement, which is a testament to the work MIB and its partners do behind the scenes to keep the system running.

On behalf of my industry colleagues, I would also like to thank all those who work to give victims of cross-border accidents a quick and easy route to compensation. In 2023, MIB supported its members in settling more than 4,300 accidents caused by foreign vehicles in the UK and 7,000 accidents caused by UK-registered vehicles abroad.

Navigate – a single, modern platform for MIB's data services

Starting with the MID (Motor Insurance Database) and MIAFTR (Motor Insurance Anti-Fraud and Theft Register), Navigate will make it faster and easier for our members and partners to access the information they need and provide the flexibility to adapt to the future needs of the market.

With hundreds of different businesses, the police and the government relying on MIB's services, we always knew Navigate would be a significant challenge. And so, after three years of planning, building, testing and refining every aspect of the new solution, I am delighted to share that Navigate will host the MID from April 2024 and MIAFTR in 2025.

And, of course, I also want to thank my colleague Dominic Clayden for his superb leadership, vision and commitment as CEO. Since 2018, Dominic has led an organisation that has taken thousands more uninsured drivers off the roads, supported our industry in tough times and delivered the cultural and technological transformation that will empower its people to thrive now and in the future.

Together, we're writing the next chapter in the MIB story

Finally, I'd like to thank my MIB colleagues for their talent and commitment and for showing the world what MIB does best – working together, often in the face of significant challenges, to find the solutions that will, one day, make a world without uninsured driving possible.

Today, and for many years to come, thousands of lives will be better because we are here.

Mike Crane
Chairman

FROM OUR CEO

> We increased our focus on awareness campaigns, such as Operation Drive Insured, to remind motorists that driving uninsured is never worth the risk.

We brought a world without the injustice of uninsured driving closer

Welcome to our 2023 Annual Report and Accounts

2023 proved to be another challenging year: a cost-of-living crisis, a turbulent geopolitical environment and more people being injured as road traffic returns to levels not seen since the start of the pandemic.

After high inflation put pressure on household budgets, in the last quarter of the year data from our Continuous Insurance Enforcement (CIE) programme began to show a worrying increase in notifications about vehicles that are potentially uninsured.

We know it typically takes between six and nine months after an uninsured accident for MIB to receive a claim. Sadly, that means we may see an increase in the number of victims of uninsured driving who need our help in 2024 and beyond. We have been preparing to meet that increased demand by expanding our team and identifying further efficiencies to modernise and improve our claims service.

Making our roads safer

We're also doing more than ever to get as many uninsured drivers off the roads as quickly as possible. Last year, we worked with the MIB Board to secure an additional £5 million investment in a range of new initiatives which will make it easy for drivers to correct their mistakes and harder for dangerous offenders to remain on the roads. We strengthened the support we provide to the police, including the expansion of Operation Tutelage, which has already helped around 550,000 drivers insure their vehicles since 2020. We increased our focus on awareness campaigns, such as Operation Drive Insured, to remind motorists that driving uninsured is never worth the risk. And in the year ahead, we'll be looking at what else we can do to influence the behaviours that often lead to uninsured driving.

> “I want to thank all my colleagues who volunteered their time and knowledge last year in support of the MIB Board and whose contribution will continue to benefit our organisation for many years to come.”

Getting victims the support they need faster

At a time when it matters more than ever, we paid more than £350 million in compensation to support victims of uninsured and hit-and-run driving.

We also developed the biggest-ever package of improvements to our claims service: a more efficient claims journey, new ways to manage large files and making it easier for our customers to track the progress of a claim. That has put us in a strong position to continue improving. The number of open claims has fallen by 20% to the lowest level since 2015 and customer satisfaction has increased to around 80%.

Evolving the way we share information

With around 1.5 billion searches every year, MIB remains a vital source of data and information for insurers, the police and the government. Modernising how we share information is also integral to achieving our purpose in a complex and changing world.

Starting with the MID (Motor Insurance Database) and MIAFTR (Motor Insurance Anti-Fraud and Theft Register), we continued to build Navigate – the single, modern and scalable foundation for the future of our data services. Every aspect of the new platform has been developed with our members. The programme has been supported by online content, events, workshops, focus groups and extensive testing. The functionality for the portal is complete and we are supporting members in preparing for the launch of Navigate in 2024.

We also need to ensure the quality of the information we rely on is the best it can be. We have now agreed with the MIB Board to facilitate a review with our members and partners to understand how we can complement the new technology platform we have developed by improving the quality of the data within our systems.

We’ve come a long way

I want to thank all my colleagues who volunteered their time and knowledge last year in support of the MIB Board and whose contribution will continue to benefit our organisation for many years to come.

In what will be my last year as CEO, I would also like to thank all my brilliant colleagues for their contribution to MIB. Together, I am incredibly proud of what we have achieved.

Through the challenges of the pandemic, we kept our people safe, kept critical services running and continued to deliver on the promises we made as part of our transformation programme, which has helped create the more modern and dynamic organisation we see today.

During the uncertainty of Brexit, we worked with our international partners in 30 countries to maintain the relationships and agreements that ensure victims of cross-border accidents get the compensation they need. And throughout EU-UK negotiations, I’m also proud of how our people worked tirelessly to help our members and motorists prepare for all outcomes.

And year after year, I’m proud of the way MIB has worked with our colleagues in Europe and around the world to support victims of cross-border accidents.

Let’s keep going

Achieving our vision of ending uninsured driving will be difficult and take many years. But by finding new ways to get uninsured drivers off the roads, evolving the way we share information and continuing to build a culture that inspires and supports our people, I believe that vision will, one day, become a reality.

Dominic Clayden
Chief Executive

Operational Performance

Supporting victims of uninsured and hit-and-run driving

Supported by ongoing improvements, more efficient ways of working and the dedication of our people, we settled more than 35,000 claims at a cost of over £350 million. By the end of the year, the number of open claims in our portfolio was 26,234 – the lowest since 2015.

We recovered £21 million (2022: £27 million) from uninsured drivers against a target of £17 million, a significant achievement.

Data from Continuous Insurance Enforcement (CIE) showed an increase in the number of vehicles kept without insurance, the first in seven years. It remains to be seen what impact that will have, but we have taken steps to prepare for a possible increase in claims in 2024.

We also continued to progress improvements to the service, including new ways to manage documentation, a simplified claims journey and other changes to help us settle claims as quickly and efficiently as possible.

New claims in 2023 (vs 2022)

Uninsured claims	**8,097**	(-4%)
Hit-and-run claims	**15,061**	(+1%)

Financial performance

Year-on-year our claims reserves, included within the consolidated statement of financial position, remained relatively flat at £3,209 million (2022: £3,242million).

Our investments performed well and grew from £147 million in 2022 to £198 million in 2023, and our cash deposits yielded interest income in excess of £2.7m (2022: £0.2m).

Keeping people safe on our roads

Our police helpline continued to play a vital role in keeping uninsured drivers off the roads, answering more than 50,000 enquiries to help frontline officers quickly establish whether a vehicle is insured. We also launched a new online form for the police to log an enquiry outside our opening hours and our police newsletter, featuring updates and resources to support the police in reducing uninsured driving on our roads.

We secured £5 million in funding from our board to launch new initiatives to get uninsured drivers off the roads, including expanding our enforcement team and more targeted action in uninsured driving hotspots. We also expanded our awareness campaign to support Operation Drive Insured, which helped take more than 3,700 uninsured vehicles off the roads in just one week. With the help of our police and industry colleagues, our social-media content warning the public about the consequences of driving uninsured was also viewed more than 1.5 million times.

Using our Motor Insurance Database (MID), we contacted more than 220,000 drivers suspected of being uninsured as part of Operation Tutelage, which helped 175,000 drivers correct their insurance status. That means there are almost 550,000 more vehicles confirmed as insured on the roads thanks to our work with the police since 2020.

We announced that we'll be funding Operation Tutelage until 2027 and we are now looking at what can be done to take its success to the next level.

As always, we also carried on telling the moving stories of people affected by uninsured and hit-and-run driving to raise awareness of the harm they cause.

In 2023 alone, we received a record 1.5 billion enquiries across our data services.

Making high-quality data available on modern platforms

Navigate, the single, modern platform for MIB's data services, will give our members and partners the tools they need in a changing insurance market.

After two years of working with our members to build the new platform, we are now in the final days of preparing for launch, starting with the MID in April 2024 and MIAFTR in 2025.

Modernising these two key databases – which together contain billions of data records – is the first step in transforming our data services for insurers, the police and the public.

Supporting our people to do their best work

Creating a progressive culture where people feel connected to our organisation and its purpose is fundamental to everything we want to achieve.

Over the last 12 months, we've focused on developing an employee value proposition that brings to life all the things that make MIB a great place to work and build a career. We updated our policies so that they support our people to be the best they can be, equipped leaders with the tools to help teams see how what they do contributes to our purpose and created resources to support managers in leading and developing their teams. And to help create a workplace where everyone feels inspired and motivated, we developed a positive conversation around performance focused on our people's strengths.

10% of new roles were filled through internal promotions, and of the 160 people who joined our organisation, 60% were direct applicants compared to 30% who applied through our recruitment partners, an increase of 30%. That saved more than £300,000, which has been reinvested in areas where further improvements are needed. More efficient processes also reduced our average time to hire from 28 days in 2022 to 14 days in 2023.

Our Gallup Q12 survey showed engagement remained high and broadly the same as in 2022, a positive result in a year with so much change happening across the organisation.

We continued to make progress in ensuring MIB is a place where our people love to be, where they can be themselves and where everyone is rewarded fairly.

Despite our efforts during the year, 2023 saw a slight increase in our gender pay gap (the difference in median hourly earnings between men and women) from 24% to 25%.*

* Median hourly pay December 2023 excluding bonus.

Financial Statements and Governance

Our full financial statements, governance report and results for the year ended 31 December 2023

Strategic Report

The Board presents its report and the audited financial statements of the Motor Insurers' Bureau for the year ended 31 December 2023.

Group status

The Directors confirm that MIB remains a group limited by guarantee, without share capital.

Principal activities

The activities of the Group are:

1) In pursuance of agreements with the Secretary of State for Transport:

a) To satisfy judgements in respect of any liability required to be covered by contracts of insurance or security under the Road Traffic Acts 1972 and 1988 but not so covered by insurance; and

b) To investigate, and where appropriate, make awards to persons suffering damage to property or injury or dependants/relatives of persons killed as a result of the use of a motor vehicle on a road, in cases where the driver of the vehicle cannot be traced.

2) In accordance with the provisions of the Internal Regulations of the Council of Bureaux, to act as:

a) A Paying Bureau to guarantee the payment of relevant liability claims arising from accidents in other countries caused by holders of International Certificates of Motor Insurance (Green Cards) issued under the authority of MIB or by users of motor vehicles registered in the United Kingdom; and

b) A Handling Bureau to deal with Road Traffic Act liability claims arising from accidents in the United Kingdom caused by drivers of foreign registered vehicles on a temporary visit to the United Kingdom, in possession of valid Green Cards and/or vehicles registered in a signatory country of Section III of the Internal Regulations.

3) For accidents up until the end of 2020, as required by the Motor Vehicles (Compulsory Insurance) (Information Centre and Compensation Body) Regulations 2003 (S.I. 2003 No.37) and the Agreement between Compensation Bodies and Guarantee Funds, approved under Commission Decision 2004/20/EC, to act as the Compensation Body to:

a) Handle claims made by UK resident victims arising from accidents abroad, where there are no foreign insurers' representatives, or where those representatives fail to act, or where an insurer or the responsible driver cannot be identified, always providing that legal proceeding for such claims were started by 31 December 2020. Currently only legacy cases are being dealt with, where the court was seized (proceeding issued) by end of 31 December 2020. Once these are settled then there will no longer be obligations under this strand of the 2003 regulations.

As a paying Compensation Body, to reimburse the handling Compensation Body for payments made to EEA victims who were injured from accidents in the UK before the end of 2020, by uninsured/untraced UK vehicles, or where the representatives of the UK insurer failed to act. Provided the handling Compensation Body was notified of the claim before end of 2020. This again is only for legacy cases whereby:

i) Accidents before end of 31 December 2020 and the handling Compensation Body notified MIB of the claim before end of 31 December 2020; and

ii) Accidents before end of 31 December 2020 and the handling Compensation Body signed the Optional Clause of the Addendum to the 2002 Agreement. In this case, they can continue to handle even if they notified MIB of the claim after 31 December 2020. This strand could take a while to conclude.

Once these are settled then there will no longer be obligations under this strand of the 2003 regulations; and

b) Act as the UK Information Centre and continue to provide insurance details of foreign vehicles to UK victims/claimants, and insurance details of UK vehicles to foreign victims/claims, Green Card bureaux and guarantee funds.

4) Maintain the Motor Insurance Database (MID) ensuring:

a) A fit for purpose database supporting the detection, enforcement and prevention of uninsured driving in the UK; and

b) Compliance with current Road Traffic Act legislation (Road Traffic Act 1988 and The Motor Vehicles Third Party Risks Regulations 2001, S.I. No.2266).

5) In accordance with the Articles of Association, provide value-added services including:

a) The maintenance of the Claims and Underwriting Exchange (CUE) and the Motor Insurance Anti-Fraud & Theft Register (MIAFTR);

b) Data asset management and analytical services on behalf of Members and the insurance industry; and

c) The provision of managed services.

Statement by the Directors in performance of their statutory duties in accordance with s172(1) Companies Act 2006

The Board of Directors of MIB consider, both individually and together, that they have acted in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole (having regard to the stakeholders and matters set out in s172(1)(a-f) of the Companies Act 2006) in the decisions taken during the year ended 31 December 2023.

1) the likely consequences of any decision in the long term (pages 4-5 and 8);

2) the interests of the company's employees (page 9);

3) the need to foster the company's business relationships with suppliers, customers and others (pages 6-7);

4) the impact of the company's operations on the community and the environment (page 16-17)

5) the desirability of the company maintaining a reputation for high standards of business conduct (pages 8-9); and

6) the need to act fairly between members of the company (pages 19-22).

Financial position and future prospects

The Directors confirm that total expenditure of MIB continues to be reimbursed by contributions received and sums receivable from its Members. The Directors are satisfied with the position of the Group and its performance during this financial year. The performance review of the Group is set out within the Chief Executive's statement on pages 6-7, 8-9 and below.

The consolidated and company statement of comprehensive income on page 27 shows that the Group has neither made a net income nor incurred a loss in the year ended 31 December 2023. MIB continues to have the support of its Members.

The Levy income included within the consolidated statement of comprehensive income of £355.1 million (2022: £657.9 million) comprises the cash levy called of £523.3 million (2022: £465.6 million) plus the movement in uncalled levy of £(168.3) million (2022: £192.3 million) which represents the movement in claims provisions; see Note 3 for details.

Claims reserves included within the consolidated statement of financial position of £3,209 million (2022: £3,242million) is the value of all potential claims that MIB is liable for. The main movement year on year is due to the reduction in claims provisions; see Note 4 for further details.

A business review and KPI information can be found in the Chief Executive's statement and the risks including financial risk management can be seen in Note 21.

Principal risks and uncertainties

MIB's principal risks and uncertainties are noted below, additional details can be found in Note 21.

MIB has identified the following principal risks and uncertainties:

- market;
- credit;
- liquidity;
- operational;
- ESG;
- reserving and foreign exchange risk.

Post balance sheet events

On 21 March 2024, the Trustee of the Motor Insurers' Bureau Pension & Assurance Scheme ("the Scheme"), entered into a buy-in contract covering all members of the Scheme. In return for a premium paid from the Scheme's assets and a contribution from MIB, from the date of the buy-in, payments will be made to the Scheme that match the benefit payments to Scheme members covered under the buy-in contract. The price of the buy-in totalled £4.9 million.

The buy-in is accounted for as a change in the Scheme's investment strategy. From the buy-in date, the value of the buy-in will be included in the fair value of plan assets on the Company balance sheet. The value of the buy-in will be determined as equal to the value of the Scheme's liabilities covered by the buy-in contract, as determined in accordance with the requirements of IAS 19. Any change to the fair value of plan assets arising from the buy-in will be recognised through Other Comprehensive Income at the 31 December 2024 year end.

The buy-in is a non-adjusting post balance sheet event per the guidance set out in IAS 10 as the buy-in contract was executed after the balance sheet date.

Directors' Report

The Directors present their Directors' Report on Motor Insurers' Bureau for the year ended 31 December 2023.

Board of Directors

The following were Directors during 2023 and held office throughout the year unless shown otherwise:

Name	Title	Company	Date of appointment	Date of resignation
M Crane	Chairman	Liverpool Victoria	02.08.2018	
Note: appointed as Chair on 01.01.2022				
Executive Directors				
D Clayden	Chief Executive	Motor Insurers' Bureau	14.05.2018	
Note: appointed Non-Executive Director on 11.09.2009				
R Arya	Chief Finance Officer	Motor Insurers' Bureau	01.04.2019	28.07.2023
C Makomereh	Chief Risk Officer	Motor Insurers' Bureau	29.03.2023	
Non-Executive Directors				
K Helgesen		RSA	29.03.2018	
M Crane		Liverpool Victoria	02.08.2018	
Note: appointed as chair on 01.01.2022				
R Charles		Admiral Group	29.09.2018	
A Eaton		Advantage	10.09.2020	30.11.2023
J Burrows		Direct Line Group	01.01.2022	07.12.2023
A Fernqvist		Zurich	20.01.2022	31.12.2023
C Weston		Great Lakes	09.12.2022	
G Carter		Sabre	09.12.2022	
W Malik		Aviva	09.12.2022	
A Beckett		Ageas	19.12.2022	

Appointments

Directors appointed to the Group after the year end are as follows:

A Miller	Markerstudy	05.02.2024
M Distefano	Axa	05.02.2024
H Phagura	Motor Insurers' Bureau	27.03.2024
G Fleet	Zurich	27.03.2024

Resignations

Directors resigned from the Group after the year end are as follows:

None

Board attendance

The Directors of the Group attended the following Board meetings and Audit and Risk Committee meetings during the year:

	Board meetings					Audit and Risk Committee			
Name	**31.02.23**	**29.03.23**	**23.05.23**	**27.09.23**	**30.11.23**	**11.01.23**	**04.05.23**	**13.07.23**	**23.10.23**
M Crane	✔	✔	✔	✔	✔				
D Clayden	✔	✔	✔	✔	✔	✔	✔	✔	✔
R Arya	✔	✔	✔			✔	✔		
C Makomereh			✔	A	✔			✔	✔
K Helgesen	✔	A	A	✔	✔				
R Charles	✔	✔	✔	✔	A				
A Eaton	✔	✔	✔	✔	A	✔	✔	✔	✔
J Burrows	A	✔	A	✔	A				
A Fernqvist	A	✔	✔	A	A				
W Malik	A	✔	A	✔	✔				✔
A Beckett	✔	A	✔	A	✔				
G Carter	✔	✔	✔	A	✔				
C Weston	A	✔	✔	A	✔				

✔ = Present A = Absent

Committee members

Name	**Executive Security Steering Committee**	**Audit and Risk Committee**	**Remuneration and Nomination Committee**	**Investment Committee**	**Levy Group**	**Data Privacy Committee**
M Crane			✔			
D Clayden	Chair	✔	✔	✔	✔	Chair
R Arya	✔	✔		✔	✔	✔
A Eaton		Chair				
J Burrows				Chair	Chair	
A Fernqvist		✔	Chair			

Membership details

During the year, the following companies were accepted as members of MIB:

Name	Date of joining
Great Lakes Insurance UK Limited	01.01.2023
Asta Managing Agency	22.08.2023
Accelerant Insurance UK Limited	08.12.2023

The following companies ceased being members:

Name	Date ceased
None	

Statement of Directors' responsibility

The Directors present their Directors' Report on Motor Insurers' Bureau for the year ended 31 December 2023

The Directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable law and regulations.

Future developments of the business are noted within the Strategic Report.

Financial risk management objectives and policies of the entity and the exposure of the entity to price risk, credit risk, liquidity risk and cash-flow risk can be seen within the Strategic Report and Note 20.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with UK adopted international accounting standards in conformity with the requirements of the Companies Act 2006.

Under company law, Directors must not approve the financial statements unless they are satisfied that they give a true and fair view. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK adopted international accounting standards in conformity with the requirements of the Companies Act 2006 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group; and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

Going Concern

The Directors have been monitoring global and economic activities and the impact both directly on the Company's business and indirectly through reviewing the development of government policy and advice. The main considerations are as follows:

- **Operational**

  MIB has stringent procedures in place surrounding sanctions and is constantly monitoring updates and world activities. As such all necessary controls are in place to ensure that no payments are made to banks or individuals listed on the UK sanction list. All MIB staff are aware of these controls and procedures so the risk to MIB's Going Concern is minimal.

- **Revenue and claims**

  The Company's revenue is derived from the statutory levy, which is chargeable on all insurers writing UK motor business. The levy chargeable for any one year is calculated by reference to the expected net cash flow of the Company for that year, ie it is calculated to be sufficient to enable the Company to pay all claims and expenses accruing in that year, with a provision for a cash buffer also included. As such, the Company's revenue is not exposed to normal market factors except for the credit risk in relation to the insurers concerned; taken as a whole it does not vary with the underlying revenue or profitability of those insurers.

  The payment of claims already noted by the Company will continue based on the Company's normal claim protocols, albeit that claims dependent on the resolution of court proceedings are likely to be delayed.

- **Investment portfolio**

  The company holds financial investment only in corporate bonds, which remain liquid. These total £192.8 million as at 31 December 2023 (2022: £147.2 million).

- **Levy receivables**

  In the increasingly likely event of recessive economic conditions, there will be members of the Company (UK motor insurers) who may suffer. For MIB, the levy is a statutory obligation payable by its members and is not a discretionary cost. Thus, MIB will still be able to recover their cost in terms of the agreement with the Department for Transport. In the event that a member becomes insolvent the Company has appropriate agreements with its members to ensure all costs are recovered.

- **Revolving credit facility**

  The company has renewed its guaranteed committed funding Revolving Credit Facility (RCF) from NatWest of £100 million in July 2023. This will be monitored by the MIB Board.

Emissions and energy consumption

MIB's greenhouse gas emissions, reportable under SECR from 1 January 2023 to 31 of December 2023, were 101 tonnes of CO_2e using a location-based methodology and 20 tonnes of CO_2e using a market-based method. The carbon emissions include those emissions associated with transportation and electricity consumption.

MIB greenhouse gas emissions have increased by 28% using the location-based methodology for emissions calculation, in comparison to the year 2022.

The increase in location-based emissions is a result of increased fuel use in transportation, that has increased the associated carbon emissions by 93% compared to the same period last year. An increase in electricity consumption, compared to last year, has increased both location and market-based emissions.

The carbon intensity was 0.19 tonnes of CO_2e per £m for location-based emissions, which is 72% higher than last year. For market-based emissions the carbon intensity was 0.04 tonnes CO_2e per £m.

Emissions source	**2023**	**Share %**	2022	Share %
Natural gas	**0**	**0%**	0	0%
Transportation fuel	**13**	**12%**	7	9%
Electricity	**88**	**88%**	73	91%
Total emissions (tonnes of CO_2e)	**101**	**100%**	79	100%

The emissions have been calculated using our annual consumption of energy, taken directly from electricity and gas statements and using the latest conversion factors provided by the UK government, totalling 447,296 kWh for the year ended 31 December 2023. Our annual emissions ratio equates to 0.19 tonnes of CO_2e per £m revenue.

Emissions source	**2023**	**Share %**	2022	Share %
Natural gas	**0**	**0%**	0	0%
Transportation fuel	**54,023**	**12%**	28,031	8%
Electricity	**393,273**	**88%**	343,595	92%
Total (kWh)	**447,296**	**100%**	371,626	100%

No energy efficiency initiatives were undertaken in 2023, however we completed the process of refurbishing our building with new air conditioners and LED lighting in 2022 which has driven a reduction in greenhouse gases of 71%. The work undertaken also increased our EPC rating from E(121) to B(27).

Taking our impact further

Our mission of supporting victims and making roads safer is at the heart of everything we do every day – but we're always looking ahead for new opportunities to be a force for good in society and people's lives.

In 2023, we evolved our approach to corporate responsibility by launching our Environmental, Social and Governance (ESG) framework, built on the United Nations Global Goals for Sustainable Development, where we can make the biggest impact.

Goals 3 and 4: Early Intervention through Education

We know that education and early intervention in young people are critical to achieving our vision of ending driving uninsured for good. We believe there's an opportunity to make a positive difference by improving awareness for the drivers of tomorrow. That's why we're proud to have partnered with the PSHE Association (personal, social, health and economic education) to create resources for teachers. We've also partnered with Safety Centre: Hazard Alley, committing to take our message to at least 1,000 young people in 2024 alone.

Goals 5 and 10: People and the Community

Building a diverse and inclusive culture where our people feel they belong and ensuring everyone is treated fairly is integral to our long-term strategy for MIB.

We are committed to closing our gender pay gap as soon as possible, and to the Women in Finance Charter, which aims to increase female representation in leadership roles.

Our employee networks play a vital role in bringing to life our Belonging, Inclusion, Diversity and Equity (BIDE) principles, helping to make our organisation an inclusive and exciting place to work.

Our employee community engagement programme – Goodness – empowers our people to support the social and environmental causes they care about. Launched in March 2023, the Goodness programme has supported thirty of our colleagues in volunteering in the community and in raising £5,000 for their chosen charities.

Goal 9: Industry, Innovation and Infrastructure

MIB's plan for 2024 is about building all the things we want to be known for: modern services that make our roads safer; giving people who have been injured by uninsured and hit-and-run drivers the high-quality support they deserve; working internationally to influence the issues that matter to motorists and the insurance industry; and making sure we're set up to succeed in a complex and changing world.

Goal 13: Environment

In 2022 we made enhancements to our head office in Milton Keynes, contributing to a reduction of 71% of greenhouse gas emissions. In 2023, thanks to our investment in accredited carbon removal projects, our head office in Milton Keynes was certified as carbon neutral. We'll continue to explore what else we can do to reduce our emissions across our estate and support our people in making positive changes at work and at home.

By joining the United Nations Global Compact, the world's largest corporate sustainability initiative, we committed to promoting and implementing its Ten Principles that support human rights, labour, the environment and tackling corruption.

The Gender Equality Network hosted engaging and educational events for International Women's Day, Inclusion Week and International Men's Day.

Some of our other achievements included:

- £11,000 raised through hot drink sales and matched donations for Safety Centre, Hazard Alley;
- 78 tonnes CO_2e of emissions offset, certifying our head office carbon neutral for 2022;
- 364 cans of food donated to our local food bank;
- More than 40% of employees donated through Pennies from Heaven;
- Four webinars hosted for Inclusion Week and International Men's Day; and
- £1,846 including MIB matching raised by colleagues as part of Movember.

Statement of disclosure of information to auditors

At the time when this report is approved each Director has confirmed that:

- so far as each Director is aware, there is no relevant audit information of which the Group's auditors are unaware; and
- each Director has taken all the steps that ought to have been taken as a Director in order to be aware of any information needed by the Group's auditors in connection with preparing their report and to establish that the Group's auditors are aware of that information.

The Board approved the Strategic Report and Directors' Report and these were signed on their behalf by:

Mark Evans
Company Secretary

24 June 2024

Registered Office:
Linford Wood House, 6-12 Capital Drive, Linford Wood, Milton Keynes MK14 6XT

Corporate Governance Statement

A robust corporate governance framework is essential to the efficient and effective performance of MIB. It ensures the accountability, responsibility and ethical behaviour of MIB and enables our members, customers and stakeholders to have full confidence in our operations. In developing its governance framework, MIB has considered some of the provisions of the UK Corporate Governance Code and has used these, to the extent appropriate given MIB's 'not for profit' status and the fact that Non-Executive Directors perform their roles on a voluntary basis without remuneration.

The Board

It is the responsibility of the Board to ensure that MIB's long-term strategy promotes the interests of our members, customers, employees and the business community in which we operate. This includes reporting to all members and other stakeholders on MIB activities and presenting a fair, balanced and understandable assessment of MIB's position and prospects.

The Board provides direction to MIB, supervising MIB executive management and maintaining control over MIB's assets. They ensure MIB operates ethically and with robust corporate governance practices to determine the nature and extent of the principal risks MIB is willing to take in achieving strategic, financial and operational success.

The Board is responsible for ensuring there is an appropriate system of governance throughout the Group. This includes a robust system of internal controls and a sound risk-management framework, the core elements of which are:

- matters reserved for the Board and Board committees' terms of reference;
- risk appetite; and
- Group Policy Framework, which comprises policies that the Board approves.

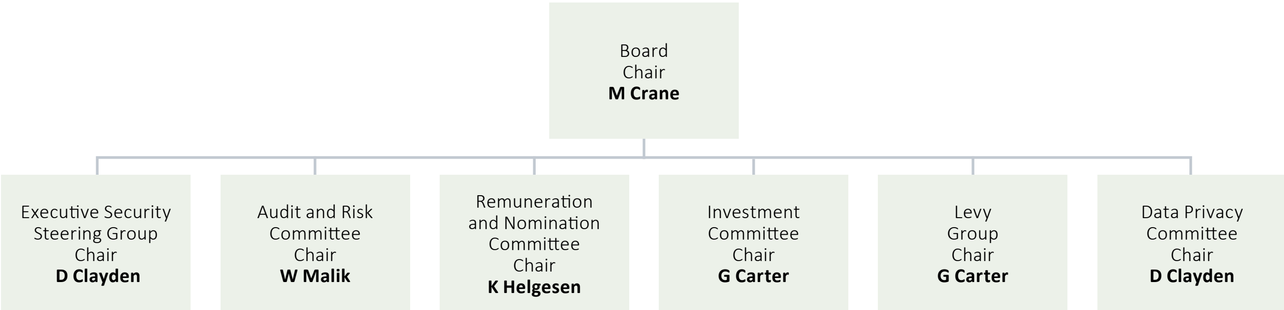
No sole member of the Board has unrestricted powers of decision; the Board as a whole will consider matters referred to them for approval. Affairs that require specific Board approval are documented along with relevant controls. This framework also provides a reference for decisions that can be delegated to committees.

At the time of writing, the Board comprises ten Non-Executive Directors and three Executive Directors. The Non-Executive Directors do not receive any form of remuneration in their capacity as Board members. The Executive Directors receive a salary, an annual bonus and benefits in kind. The remuneration of Executive Directors is determined by the Remuneration and Nomination Committee on consideration of the degree of individual responsibility, individual performance and market data.

The role of the Non-Executive Directors is to participate fully in the functions of the Board, advising, supporting and challenging executive management as appropriate. Non-Executive Directors can serve three terms of three years. The Chairman can currently serve three terms of three years plus an additional four years. The Remuneration and Nomination Committee nominates the Non-Executive Directors and Chairman for appointment and the Board then approves the appointments. Non-Executive Directors and the Chairman are subject to election or re-election annually at the AGM.

Board Committees

The Board has established various Committees to help meet its responsibilities. Each Committee plays a vital role in ensuring that the Board operates efficiently and considers matters appropriately, and each Committee has separate terms of reference.



Executive Security Steering Group

The Executive Security Steering Group comprises of five members of the Executive Committee plus appropriate representation from the wider business as required. Established in 2018, the role of the Executive Security Steering Group is to monitor threats to MIB critical assets and to ensure that controls are in place to reduce the likelihood of reputational damage through a security incident in line with the strategy and risk appetite set by the Board.

It is empowered to take the steps necessary to maintain adequate controls when the threat landscape changes and or when the likelihood of a security incident arises.

The Executive Security Steering Group operates at a strategic level, provides direction and takes information from the Operational Security Group.

Audit and Risk Committee

The Audit and Risk Committee comprises two Non-Executive Directors. The Head of Internal Audit has a direct reporting line to the Chair of the Audit and Risk Committee. The MIB Chief Executive Officer and MIB Chief Risk Officer are invited to attend by the Non-Executive Directors, as well as any MIB officer that the Audit and Risk Committee feels appropriate. In 2023 the Committee met four times, in January, May, July and October.

The Audit and Risk Committee assists the MIB Board by:

- overseeing the MIB Risk Management Framework and ensuring that MIB operates within agreed risk parameters and clearly defined risk appetite statements
- reviewing and assessing MIB's system of internal controls by:
  - approving and challenging the Internal Audit plans of scheduled work and ensuring that such work provides assurance over the key risks to MIB meeting its corporate objectives; and
  - ensuring that Internal Audit has adequate and appropriately skilled resources and where necessary obtains external specialist resource to support completion of its work programme
- overseeing the work of the external auditors and providing assurance over the integrity of MIB's financial statements
- appointing and removing external auditors, and
- providing supervision of corporate governance policies and issues related to legal and regulatory compliance bodies.

Risk Management

As MIB's range of services and programme activity continues to evolve, there is a stronger focus on governance and control across the business. The Risk Management team provide a robust risk-management framework that provides effective management of risk within MIB.

The Risk team is MIB's second line of defence and oversees MIB's control environment. The team is responsible for helping to embed a risk-management culture into everyday business activities. MIB's risk-management framework is aligned to ISO31000:2018 principles and guidelines. Risk Management focuses on dynamic strategy enablement and value creation as well as the prevention and mitigation of key risk events. By embedding a risk-management culture, MIB is able to adapt to mitigate threats and exploit opportunities.

Compliance

MIB views compliance with the Data Protection Act 2018 and the UK GDPR as a business-critical objective. The MIB data protection programme is designed to deliver continuous improvement, while driving increased maturity levels across the business. MIB maintained both ISO 27001 information security and ISO 22301 (2019) business continuity certification in 2023. MIB compliance with these standards forms part of its commitment to a systematic, robust approach to management of the confidentiality, integrity and availability of the data MIB controls. Accountable executives review MIB's compliance with all laws and regulations relevant to their business unit and they proactively ensure MIB remains compliant with the latest laws and regulations.

Health and Safety

MIB recognises the vital importance of health and safety. MIB operates, as far as is reasonably practical, in a manner which poses no risk to the health and safety of employees, contractors, visitors and the general public. We carry out required risk assessments and ensure that appropriate mitigating actions are taken.

Levy Group

The Levy Group comprises two Non-Executive Directors, two Executive Directors, appropriate representation from member companies and consultant actuaries as appropriate. The role of the Levy Group is to assess the levy requirements, including the amount of the annual levy and the method of apportioning this across the levy members.

Remuneration and Nominations Committee

The Remuneration and Nomination Committee comprises a minimum of two Non-Executive Directors. The role of the Committee is to determine and agree with the Board the framework or broad policy for the remuneration of the Executive Directors, including pension rights and compensation payments. The Committee also oversees the remuneration arrangements of MIB employees, and through Board delegation, all aspects relating culture, and the nomination of the Non-Executive Directors and Chairman for appointment by the Board.

Investment Committee

The Investment Committee comprises two Non-Executive Directors and two Executive Directors. The role of the Investment Committee is to provide investment strategy recommendations and monitor the investment policies, procedures and performance.

Data Privacy Committee

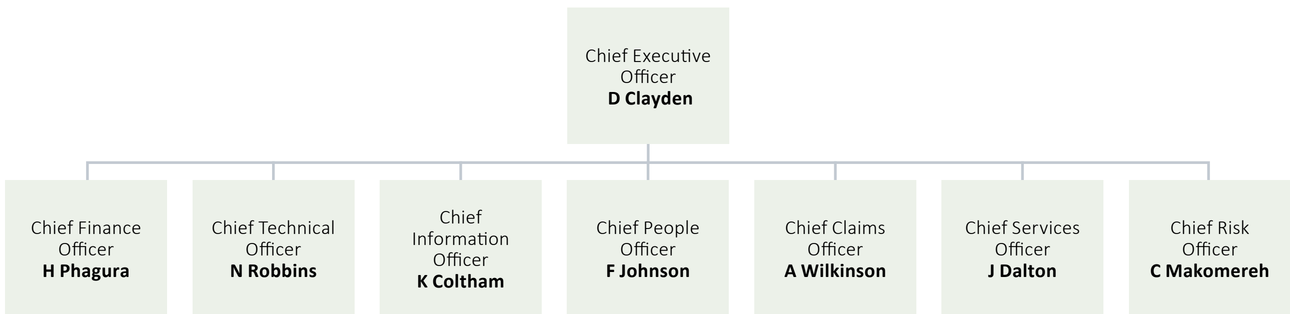
The Data Privacy Committee was established to ensure MIB complies with all obligations under the applicable data protection laws and that there is effective oversight and monitoring of data protection compliance initiatives undertaken across the organisation. The Data Privacy Committee also ensures any data protection initiatives undertaken remain aligned with the organisation's overall commercial strategy, priorities and risk appetite.

Chief Executive Officer (CEO)

The role of the CEO is to manage the Group's business on a day-to-day basis and to assist the Board in carrying out its role by providing advice and recommendations consistent with the agreed corporate objectives, financial and operational risk management and regulatory good practice. In fulfilling this executive role, the CEO acts within the authority delegated by the Board.

Executive Committee

The Executive Committee is the principal management committee that supports the CEO to manage the day-to-day operations of the Group. The Executive Committee assists the CEO to set performance targets, implement the MIB strategy and direction and monitor key objectives to achieve the Group's targets. It is comprised of the Executive Directors (CEO, Chief Risk Officer and Chief Finance Officer) and the following: Chief Technical Officer, Chief Information Officer, Chief People Officer, Chief Claims Officer and Chief Services Officer.



Supplier terms

A review of the forms of contract for use in new contract awards has been performed and they have been updated where necessary. Supplier payment terms are now standard and range from 30 days to 60 days on average, dependent on the category of expenditure.

Independent Auditor's report to the Members of the Motor Insurers' Bureau

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2023 and of the Group's result for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- the Parent Company financial statements have been properly prepared in accordance with UK adopted international accounting standards, and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Motor Insurers' Bureau ("the Parent Company") and its subsidiaries ("the Group") for the year ended 31 December 2023 which comprise the Consolidated and Company Statement of Comprehensive Income, the Consolidated and Company Statement of Financial Position, the Consolidated and Company Statement of Cash Flow and notes to the financial statements, including a summary of material accounting policies. The financial reporting framework that has been applied in their preparation is applicable law UK adopted international accounting standards, and as regards the Parent Company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group or Parent Company's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Strategic report, Directors' report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other Companies Act 2006 reporting

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and the Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the Statement of Directors' Responsibility, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Non-compliance with laws and regulations

Based on:

- our understanding of the Company and the industry in which it operates;
- discussion with management and those charged with governance;
- obtaining and understanding of the Company's policies and procedures regarding compliance with laws and regulations; and
- obtaining and inspecting board minutes,

we considered the significant laws and regulations to be UK-adopted international accounting standards, the Data Protection Act 2018 and the Companies Act 2006.

The Company is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be UK-adopted international accounting standards, the Data Protection Act 2018 and the Companies Act 2006.

Our procedures in respect of the above included:

- review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- review of financial statement disclosures and agreeing to supporting documentation; and
- involvement of tax specialists in the audit.

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- obtaining an understanding of the Company's policies and procedures relating to:
  - detecting and responding to the risks of fraud; and
  - internal controls established to mitigate risks related to fraud.
- review of minutes of meeting of those charged with governance for any known or suspected instances of fraud; and
- discussion amongst the engagement team as to how and where fraud might occur in the financial statements.

Based on our risk assessment, we considered the areas most susceptible to fraud to be management override of controls, the valuation of technical provisions, revenue (levy) recognition and the valuation of retirement benefit obligations.

Our procedures in respect of the above included:

- testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation;
- assessing significant estimates made by management for bias for the valuation of retirement benefit obligations and technical provisions by making use of the assistance of actuarial expertise in reviewing and assessing the assumptions used in the estimates;
- performing an independent re-projection of the reserves to test the reasonableness of the valuation of technical provisions;
- verifying the existence and valuation of the pension scheme assets;
- testing a sample of levy transactions in the accounting records, by tracing to supporting documentation and subsequent bank receipts; and
- testing a sample of levy transactions to confirm that they have been accounted for within the correct accounting period.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities.

This description forms part of our auditor's report.

Use of our report

This report is made solely to the Parent Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Parent Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Geeta Joshi

Geeta Joshi (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London, UK

Date: 25 June 2024

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Consolidated and Company Statement of Comprehensive Income

For the year ended 31 December 2023

	Notes	Consolidated		Company	
		2023 £'000	2022 £'000	**2023 £'000**	2022 £'000
Income					
Leviable premium	3	**361,990**	666,327	**355,088**	657,915
Other operating income	5	**12,791**	10,360	**16,071**	10,349
Total income		**374,781**	676,687	**371,159**	668,264
Expenditure					
Net claims paid	4	**(344,371)**	(398,295)	**(344,371)**	(398,295)
Increase in claims provision	4	**157,841**	(222,291)	**157,841**	(222,291)
Net claims incurred	4	**(186,530)**	(620,586)	**(186,530)**	(620,586)
Administrative expenses	6	**(62,889)**	(49,877)	**(59,267)**	(41,453)
Terrorism insurance	6	**(8,400)**	(8,400)	**(8,400)**	(8,400)
Operating (loss)		**116,962**	(2,175)	**116,962**	(2,175)
Financial income	7	**8,108**	2,522	**8,108**	2,522
Financial expenses	8	**(125,070)**	(347)	**(125,070)**	(347)
Net income / (expenditure) before tax		**-**	-	**-**	-
Income tax refund / (expense)	10	**-**	-	**-**	-
Net income / (expenditure) after tax		**-**	-	**-**	-
Other comprehensive income					
Items that will not be reclassified to SoCI Actuarial (loss) / gain on retirement benefits	9	**508**	747	**508**	747
Unrealised (gain) / loss on investments		**(208)**	5,205	**(208)**	5,205
Items that will or may be reclassified to SoCI Adjustment in leviable premiums for Actuarial loss / (gain) on retirement benefits		**(508)**	(747)	**(508)**	(747)
Adjustment in leviable premiums for Unrealised gain / (loss) on investments		**208**	(5,205)	**208**	(5,205)
Other and total comprehensive income for the year		**-**	-	**-**	-

The Group's activities were continuing during the above two financial years.

The Group has no other comprehensive income. The net income shown above is its total comprehensive income.

The accompanying notes on pages 30-49 form an integral part of these financial statements.

Consolidated and Company Statement of Financial Position

As at 31 December 2023

	Notes	Consolidated		Company	
		2023 £'000	2022 £'000	**2023 £'000**	2022 £'000
Assets					
Non-current assets					
Intangible assets	12	**-**	3,270	**-**	3,270
Property, plant and equipment	11	**6,441**	6,464	**6,441**	6,464
		6,441	9,734	**6,441**	9,734
Current assets					
Trade and other receivables	16	**2,999,334**	3,129,753	**2,999,590**	3,127,998
Retirement benefit Asset	9	**286**	-	**286**	-
Financial investments	14	**192,766**	147,248	**192,766**	147,248
Cash and cash equivalents	13	**77,482**	29,632	**76,188**	29,212
		3,269,868	3,306,633	**3,268,830**	3,304,458
Total assets		**3,276,309**	3,316,367	**3,275,271**	3,314,192
Liabilities					
Non-current liabilities					
Retirement benefit obligations	9	**-**	134	**-**	134
Provisions	4	**2,702,341**	2,710,445	**2,702,341**	2,710,445
Creditors > 1 year		**413**	-	**413**	-
		2,702,754	2,710,579	**2,702,754**	2,710,579
Current liabilities					
Trade and other payables	15	**66,955**	70,988	**65,917**	68,813
Retirement benefit obligations	9	**-**	3,300	**-**	3,300
Provisions	4	**506,600**	531,500	**506,600**	531,500
		573,555	605,788	**572,517**	603,613
Total liabilities		**3,276,309**	3,316,367	**3,275,271**	3,314,192

The financial statements on pages 27-49 were approved and authorised for issue by the Board of Directors on 24 June 2024, and were signed on its behalf by:

Mike Crane – Chairman

Dominic Clayden – Director, and Chief Executive

The accompanying notes on pages 30-49 form an integral part of these financial statements.

Group Company Number 412787

Consolidated and Company Statement of Cash Flow

For the year ended 31 December 2023

	Notes	Consolidated		Company	
		2023 £'000	2022 £'000	**2023 £'000**	2022 £'000
Cash flows from operating activities					
Cash generated from operations	17	**82,469**	54,174	**81,595**	54,246
Interest paid		**(229)**	-	**(229)**	-
Interest received		**6,143**	288	**6,143**	288
Net cash flows from operating activities		**88,383**	54,462	**87,509**	54,534
Cash flows from investing activities					
Purchase of property, plant and equipment		**(88)**	(1,213)	**(88)**	(1,213)
Purchase of intangibles		**-**	(3,270)	**-**	(3,270)
Net change in financial investments		**(40,445)**	(21,624)	**(40,445)**	(21,624)
Net cash flows from investing activities		**(40,533)**	(26,107)	**(40,533)**	(26,107)
Net increase/(decrease) in cash and cash equivalents		**47,850**	28,355	**46,976**	28,427
Cash and cash equivalents at the beginning of the year	13	**29,632**	1,277	**29,212**	785
Net increase/(decrease) in cash and cash equivalents		**47,850**	28,355	**46,976**	28,427
Cash and cash equivalents at the end of the year	13	**77,482**	29,632	**76,188**	29,212

The accompanying notes on pages 30-49 form an integral part of these financial statements.

Notes to the Financial Statements

1. Material accounting policies

Basis of preparation

The Motor Insurers' Bureau Group, hereinafter referred to as "MIB", or the "Group", also referred to as the "Bureau", and the Parent Company have elected to prepare their financial statements under the historical cost convention, as modified for the revaluation of certain assets, and in accordance with UK adopted international accounting standards in conformity with the requirements of the Companies Act 2006.

Items included in the financial statements of the Group are measured in the currency of the primary economic environment in which that entity operates (the functional currency). The functional currency is pounds sterling.

The financial statements and accompanying notes are presented in thousands of pounds (£'000).

In respect of IAS 19, the Group has elected to disclose comparative information of the present value of the defined benefit obligation, the fair value of the plan assets and the surplus or deficit in the plan, from adoption of IFRS.

The Directors have prepared forecasts, for a period of at least 12 months from the date of approval of the financial statements take into account an assessment of the impact of current sanctions and inflation rates and have concluded that it continues to be appropriate to prepare the financial statements on a going concern basis.

Standards issued but not yet effective

All new standards, interpretations and amendments to published standards that have been issued and endorsed by the UK Endorsement Board, have been considered. The following new and amended standards that came into effect in the year have been adopted by the Company during the period as appropriate:

- IAS 1 amendments: Presentation of Financial Statements: Disclosure of Accounting Policies – January 2023.
- IFRS Practice Statement 2: Disclosure of Accounting Policies – January 2023.
- IAS 8 amendments: Definition of accounting estimates – January 2023.
- IAS 12 amendments: Deferred Tax related to assets and liabilities arising from a single transaction – January 2023.
- IAS 12 amendments: International Tax Reform – Pillar Two Model Rules – May 2023.

Standards in issue but not yet effective

The following standards are still in issue but are not effective for the year ended 31 December 2023:

- IAS 1 amendments: Classification of liabilities as current or non-current – January 2024.
- IAS 1 amendments: Non-current liabilities with covenants – January 2024.
- IAS 7 and IFRS 7 amendments: Supplier Finance Arrangements – January 2024.
- IFRS 16 amendments: Lease liability in a sale and leaseback – January 2024.
- IAS 21 amendments: Lack of Exchangeability – January 2025.

Impact of adopted standards

The standards effective from 2024 have been reviewed and are not expected to have a material impact on the Company. The implications of the remaining standards are under review. The material accounting policies adopted are listed below. These policies have been consistently applied to all years presented, unless otherwise stated.

IFRS 17: Insurance contracts

The Group has not applied IFRS 17: Insurance contracts from 1 January 2023. The Group's core activities are delivered in accordance with a contract with the Secretary of State for Transport. Revenue related to those activities is derived from a statutory levy on members and is recognised on the same basis as the Group recognises its obligations under the contract with the Secretary of State. As such based on the definition per IFRS 17, MIB does not have insurance contracts.

Group status

MIB is a group incorporated in the United Kingdom limited by guarantee and not having a share capital under the control of its Members with a registration number 412787. The Group is domiciled in the United Kingdom and its registered address is Linford Wood House, 6-12 Capital Drive, Linford Wood, Milton Keynes, MK14 6XT, United Kingdom. The liability of the Members is limited to £5 each, in the event of the Group being wound up. The total expenditure of the Group is reimbursed by contributions received and receivable from its Members. The Group therefore makes neither a profit nor does it incur a loss.

Income

Leviable premium income represents contributions receivable from Members during the year plus amounts available for call within 12 months of the statement of financial position date.

The levy uncalled / additional levy represents the increase in case reserves during the year, plus the increase in the estimated value of those claims that are "incurred but not reported", plus the net amount of the other movements in the income statement. This is the amount that can be levied to Members within 12 months of the statement of financial position date but only such sums will be called up in order to discharge liabilities for claims, operating costs and supplementary agreement costs.

Deferred revenue relates to levy income that will be receivable in the following accounting period hence the classification. Levy is accounted for in period that it relates to.

The company incurs expenses on behalf of subsidiary companies within the group. These expenses are recharged to the subsidiaries at zero mark-up and the income is classified as "Fee income from management services". Fee income is also generated from the provision of management services by MIB to third parties who are not part of the MIB group. Management services are also provided to third parties at zero mark-up. Fee income is recognised as expenses are incurred.

All Income is from UK based operations.

IFRS 15 Revenue from contracts with customers

The Group has not applied IFRS 15 to revenue from contracts with customers from 1 January 2018. The Group's core activities are delivered in accordance with a contract with the Secretary of State for Transport. Revenue related to those activities is derived from a statutory levy on members and is recognised on the same basis as the Group recognises its obligations under the contract with the Secretary of State. As such based on the definition per IFRS 15, MIB does not have a contract with customers. Other incidental revenue is recognised by the group as the services concerned are delivered.

Net claims paid

Claims paid comprise all claims and related expenses (including internal management and administrative costs of handling claims) settled during the year less recoveries received / receivable.

Claims provisions

The Group's outstanding claims provision includes notified claims as well as incurred but not yet reported claims. Provisions are measured at the Company's best estimate of the expenditure required to settle the present obligation under IAS37.

Each notified claim is assessed on a separate, case-by-case basis with due regard to the specific circumstances, information available from the claimant or other sources and past experience with similar claims. The Group rigorously applies standardised policies and procedures around claims assessment.

The ultimate cost of the reported claims may vary as a result of future developments or better information becoming available about the current circumstances. Case estimates are therefore reviewed regularly and updated if new information becomes available.

The claims provision includes an amount for Incurred But Not Yet Reported (IBNR) and Incurred But Not Enough Reported (IBNER).

Claims Incurred But Not Yet Reported (IBNR)

This represents the total provision for unpaid claims that have occurred but have not been reported to the Group at the accounting date. Current and historical data relating to claims, payments and reserves is gathered by accident year up to and including 31 December 2023. The data is used to project the cost of future claims using generally accepted actuarial techniques.

Claims Incurred But Not Enough Reported (IBNER)

This represents an adjustment for the anticipated improvements in known estimates in claims relating to accidents which have been notified before the end of the accounting period.

Consolidation

The following subsidiary undertakings, MIB Management Services Limited, MIB Portal Services Limited, Official Injury Claim Limited and Tracing Services Limited, have continued to be consolidated this year with consolidated Group financial statements being prepared.

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Investments in subsidiaries are accounted for at cost less impairment in the Parent Company.

Investment in associates are entities that MIB does not have power over and holds between 20-50% of the entity's shares. Equity accounting is applied for such investments. MIB's share of the investment's net assets are recognised in OCI.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Property, plant and equipment

Property, plant and equipment are carried at cost less accumulated depreciation and accumulated impairment losses. Cost comprises purchase price and directly attributable costs.

Depreciation is calculated on a straight-line basis to allocate cost less residual values of the assets over their estimated useful lives as follows:

Fixtures and fittings	**5 years**
Computers	**3 years**

The residual values and useful lives are reviewed and adjusted if appropriate at each financial year end.

Land and buildings are measured using the revaluation model. Revaluations are carried out triennially to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period. All changes to the property's value shall be recognised in other comprehensive income. Items recognised in other comprehensive income are transferred to the Leviable Premiums, hence the total other comprehensive income will be nil.

Assets are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of an asset's net selling price and value in use. For the purpose of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows.

Intangible assets

Database development costs are capitalised as intangible fixed assets at cost. These costs arise from internal projects during the development stage and meet the criteria for capitalisation as set out in IAS 38.57. They are amortised to the statement of comprehensive income over their estimated economic life.

Development expenditure **5 years straight line**

Leases

For any new contracts entered into on or after 1 January 2019, in accordance to IFRS 16, the Group considers whether a contract is or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

To apply this definition the Group assesses whether the contract meets three key evaluations which are whether:

1) the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group;

2) the Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract; and

3) the Group has the right to direct the use of the identified asset throughout the period of use.

The Group assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use including leases entered into before 1 January 2019.

Measurement and recognition of leases as a lessee

At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist.

Right-of-use leases assets **2-5 years straight line**

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any modification, or if there are changes in in-substance fixed payments.

Taxation

Current tax represents the expected tax payable (or recoverable) on the taxable income for the year using tax rates enacted or substantively enacted at the statement of financial position date and taking into account any adjustments arising from prior years.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction that, at the time of the transaction, affects neither accounting nor taxable income nor expenditure.

Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the statement of financial position date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled. Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the temporary differences can be utilised.

Retirement benefit obligations

The Group operates a defined benefit scheme and a number of defined contribution schemes.

Contributions to defined contribution pension plans are charged to the statement of comprehensive income as incurred. MIB has no further payment obligations once these contributions have been paid.

For the defined benefit pension scheme, the assets are measured at their market value at the statement of financial position date and the liabilities of those schemes are measured using the projected unit credit method. The discount rate used is the current rate of return on an AA corporate bond of equivalent term and currency to the liabilities. The extent to which the scheme's assets exceed or fall short of their liabilities is shown as a surplus or deficit in the statement of financial position to the extent that a surplus is recoverable by MIB or that a deficit represents an obligation of MIB.

The current service cost and gains and losses on settlements and curtailments are included within operating expenses in the statement of comprehensive income. The expected return on pension assets and the interest on pension liabilities are included in the finance costs in the statement of comprehensive income. Actuarial gains and losses are recognised in full in the statement of other comprehensive income in the period in which they occur, see Note 9.

Investments

Management have opted to measure investments at Fair Value through the Statement of Other Comprehensive Income. Investments are valued at current market rates and interest receivable is accounted for on an accruals basis.

Cash and cash equivalents

Cash and cash equivalents consist of cash at banks and in hand, deposits held on call with banks and other short-term deposits with less than three months maturity from the date of acquisition.

Segmental reporting

Management consider that MIB has one reportable segment being to reduce the level and impact of uninsured and untraced driving which includes the provision of associated data asset management services. As such the financial statements disclose all available information required.

Significant estimates and judgements

In preparing the annual financial statements, management is required to make estimates and judgements that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the financial statements.

Significant estimates and judgements include:

i) Claims provisions

The outstanding claims provision is based on the estimated ultimate cost of all claims incurred but not settled at the statement of financial position date, including incurred claims that are not reported (IBNR) together with related claims settlement costs. Significant judgements are applied when the provision is discounted at each reporting date to show the present value of the obligation as well as when applying risk adjustment for uncertainties related to provisions. Delays can be experienced in the notification and settlement of claims, and the nature of claims is both complex and requires subjective assessment. Accordingly, the ultimate cost and date of future settlement of such claims cannot be known with certainty at the statement of financial position date. Any resultant under- or over-provision for claims is recognised in the period in which the under- or over- provision is discovered, either on final settlement of the claim or on re-estimation of its ultimate cost. In addition to the above there is uncertainty as to the amount of any backlog in Lewis v Tindale claims. Within the IBNR an explicit adjustment in respect of Lewis v Tindale claims has been included totaling £25.3m (2022: £62.9m).

The provisions carried in MIB's financial statements are similar in nature to those dealt with by insurers, and the approach and methods used in the measurement of those liabilities by MIB are consistent with the approaches and methods generally used by insurers.

Accordingly, the basis of valuation of the provisions is as follows:

- Projections are made using standard actuarial techniques and independent actuaries are appointed for this purpose. The approach uses information relating to the Group's historical claims payment and reserves files for each type of claim incurred up to the statement of financial position date. Projections are undertaken using the Chainladder method for each type of claim by accident year. The main assumption underlying this technique is that a Group's past claims development experience will be appropriate to project future claims development.
- The projections include allocated costs such as legal expenses.
- The provisions are discounted. The longer-term Periodical Payment Orders are individually discounted on a case-by-case basis taking an appropriate annuity factor corresponding to the assumed life expectancy.
- MIB estimates the future expected cash flows for non-Periodical Payment Orders using actuarial techniques, and discounts these at the risk-free rate published by the PRA for regulatory purposes.
- Future claims experience is likely to deviate from the projections. Among other reasons, this is because the ultimate claim amount will be affected by future external events, for example, the size of court awards, changes in standards of liability and the attitudes of claimants towards settlement of their claims.

ii) Levy

The MIB levy call for the year is based on an actuarial estimation carried out by independent actuaries of the likely expenditure in the year on the settlement of claims and business running costs, net of expected investment returns.

Going concern

The Directors have modelled stressed future scenarios to assess the sustainability of the Company's cash position and ability to continue to meet all obligations as they fall due in the normal course of business. Those stressed scenarios reflect judgements as to the impact of current sanctions and inflation rates on the economic environment in which the company and its members operate. See Directors report and basis of preparation for detail.

2. Employee costs and numbers – within administrative expenses

Particulars of employee costs (including Executive Directors) were as follows:

	Consolidated and Company	
	2023 £'000	2022 £'000
Wages and salaries	**24,176**	22,383
Social security costs	**2,760**	2,119
Pension contributions – Defined benefit	**-**	-
– Defined contributions	**1,808**	1,668
Other staff costs	**129**	167
	28,873	26,337

Average number of employees (including Executive Directors) were:

	No.	No.
MIB claims operations	**149**	143
MID and Data services (inc IFB)	**110**	96
MIB / MID support	**153**	147
	412	386

Directors' remuneration

The remuneration of the Directors was as follows:

	Consolidated and Company	
	2023 £'000	2022 £'000
Emoluments (including benefits in kind)	**2,085**	1,627
Pension contributions	**26**	-
	2,111	1,627
Highest-paid Director: Emoluments	**1,577**	1,150

The number of Directors who were members of the Group's defined benefit scheme at the statement of financial position date was as follows:

	No.	No.
Defined benefit	**0**	0

Key management personnel

Apart from the Executive Directors, there are a number of senior executives who form the Executive Committee and whose roles influence the ability of the Group to meet its strategic objectives.

The remuneration of the Executive Committee, excluding the Executive Directors, was as follows:

	Consolidated and Company	
	2023 £'000	2022 £'000
Emoluments (including benefits in kind)	**2,351**	979
Pension contributions	**111**	90
	2,462	1,069
Number of executives at the statement of financial position date	**5**	4

3. Leviable premium

	Consolidated		Company	
	2023 £'000	2022 £'000	**2023 £'000**	2022 £'000
Levy called	**523,342**	465,592	**523,342**	465,592
Movement in uncalled levy	**(168,254)**	192,323	**(168,254)**	192,323
Other levy	**6,902**	8,412	**-**	-
Leviable premium	**361,990**	666,327	**355,088**	657,915

Movement in uncalled levy

	Consolidated and Company	
	2023 £'000	2022 £'000
Increase in outstanding claims provision	**(33,004)**	222,291
Other movements	**(135,250)**	(29,968)
Movement in uncalled levy	**(168,254)**	192,323

Other movements is the over- or under-collection of the levy vs MIB's outgoings.

In order to write UK motor insurance business, insurers must become a member of MIB and adhere to the terms and conditions laid out in its Memorandum and Articles of Association. The terms require each Member to pay a levy to MIB, calculated on the basis of the volume and class of business written over each financial period. The majority of the levy is collected by monthly direct debit with a right to charge interest for any late payment. Ultimately, should an insurer default or become bankrupt or insolvent, the debt can be passed to the general market for reimbursement. Therefore, non-payment of levy from a Member presents a negligible risk to the Group.

The Group has the right to call an additional levy from Members should it wish to do so. The additional levy receivable shown in Note 16 of £2,951 million (2022: £3,074 million) represents the estimated value of all current and IBNR claims which can be called upon within 12 months of the statement of financial position date. While this represents a significant amount within the statement of financial position, the risk of non-payment is considered unlikely given that the overall premium income generated by the motor insurance market in 2023 was £19 billion (2022: £18 billion) and all members have to be well capitalised for regulatory purposes. Therefore, a risk would only be presented if the entire motor insurance market were to fail.

4. Provisions

Claims provision and expenditure

	Consolidated and Company 2023 £'000	2022 £'000
Claims provision at 31 December	**3,208,941**	3,241,945
Claims provision at 01 January	**(3,241,945)**	(3,019,654)
Net movement in claims after discounting (Note 3)	**33,004**	(222,291)

Claims reconciliation

		2023 £'000	2022 £'000
Claims provision at 01 January		**3,241,945**	3,019,654
Movement in claims provision before discounting:	Claims incurred	**186,530**	620,586
	Claims paid less recoveries	**(344,371)**	(398,295)
Movement in claims provision		**(157,841)**	222,291
Discount unwinding (Note 8)		**124,837**	-
Claims provision at 31 December		**3,208,941**	3,241,945

	2023 £'000	2022 £'000
Claims provision at 31 December	**2,702,341**	2,710,445
Claims provision at 01 January	**506,600**	531,500
	3,208,941	3,241,945

The Group recognises that claims reserving for personal injury claims arising from motor vehicle accidents is subject to a substantial degree of uncertainty. There is a range of provision estimates around the best estimate included in these accounts that, on an actuarial basis, could be considered reasonable. The Group has over time, developed a methodology that is aimed at establishing provisions that have a reasonable likelihood of being adequate to settle all of its obligations.

A risk adjustment is applied in accordance with the requirements of IAS 37 to reflect the uncertainties arising from variability of claims settlement outcomes.

The Group reports the present value of its provisions in the financial statements. The unwinding of the discount rate on claims provisions is disclosed as a financial expense in the statement of comprehensive income. In 2023 that financial expense was £125 million (2022: £36 million and not disaggregated due to immateriality). These disclosures are aligned with IAS 37 requirements.

Process used to determine significant assumptions:

Claim provisions

The Group's outstanding claims liability includes notified claims as well as incurred but not yet reported claims.

Notified claims

Each notified claim is assessed on a separate, case-by-case basis with due regard to the specific circumstances, information available from the claimant or other sources and past experience with similar claims. The Group rigorously applies standardised policies and procedures around claims assessment.

The ultimate cost of the reported claims may vary as a result of future developments or better information becoming available about the current circumstances. Case estimates are therefore reviewed regularly and updated if new information becomes available. The total amount of case reserves for notified claims, including Periodic Payment Order claims, held by MIB as at 31 December 2023 is £3,106.8 million (2022: £3,179.0 million).

Claims Incurred But Not Yet Reported (IBNR)

The IBNR provision as at 31 December 2023 is £442.6 million (2022: £506.9 million).

Claims Incurred But Not Enough Reported (IBNER)

The negative IBNER provision as at 31 December 2023 is (£349.6 million) (2022: (£462.0 million)). This arises due to claims estimations being overstated based on historic and current trends.

Claims handling provision and additional reserves

The claims handling provision and additional reserves as at 31 December are £9.2 million (2022: £15.0 million) & £nil (2022: £46.5 million). The additional reserves of £46.5m in 2022 related to four cases upon which liability was settled in 2022 but payment not made until 2023. There were no material cases of this nature in 2023.

Ogden discount rate

The Civil Liability Act 2018 introduced a new framework for setting the personal injury discount rate, requiring the government to reset the discount rate by reference to low risk rather than very low or zero risk investments. Following a government review, as dictated by the terms of the Civil Liability Act 2018, on 15 July 2019 the Lord Chancellor announced a new Ogden discount rate of -0.25% (2022: -0.25%) to take effect from 5 August 2019 (a movement from -0.75%). The next review of the Ogden discount rate will start no later than July 2024 with a maximum review period of 180 days so we will see the outcome of the review no later than January 2025. Leading up to this formal review the government have issued a Call for Evidence (running 16/1/24 – 09/4/24) asking relevant stakeholders for their views on investment returns, inflation and a dual/multiple discount rate rather than the single rate that has been adopted previously.

The Group will continue to exercise judgement around the Ogden rate used in its reserves allowing for the possibility for it to change in the future. The Group considers that uncertainties around the legal framework and its implications in practice as being significant but, will continue to provision at the legally required current rate of -0.25% (2022: -0.25%) per annum with no additional allowance for further movements.

Discounting

A number of high-value claims are settled by way of Periodic Payments Orders (PPO). These are long-term structured settlements agreed by the claimant and the Group whereby, in addition to a lump sum amount, the claimant receives on going annual payments, largely towards future care costs for the entirety of his or her life. Each PPO includes the provision for future increases in the annual payments linked either to the Retail Price Index (RPI) or one of the indexes in the Annual Survey of Hourly Earnings (ASHE), usually the care workers' index ASHE 6115.

The projected cash flows for claims are adjusted using the relevant inflation index applicable to each claim and any step changes in payments as mandated by court rulings. This method ensures that the projected cash flows accurately represent the present value of future obligations, considering both inflation and judicial mandates. The yield curve to discount these cash flows is constructed based on MIB's estimate of future inflation rates. Additionally, a 35-basis point increase is applied to account for the step changes in structured settlements. The yield curve reflects the nature of the inflation-indexed cash flows.

Non-PPO claim cash flows have been calculated using standard actuarial techniques. These cash flows have been discounted using the risk-free rate in line with the accounting policy.

Exposure to claims

The Group recognises the exposure and risk to fraudulent claims. This is reviewed as part of the on going risk analysis undertaken by MIB management. The Group is committed to ensuring the risk in this area is minimised and has invested in resources and technology to reduce the overall exposure.

All settled claims are referred to the Recoveries team at MIB to assess the feasibility of recovering losses. Where recovery is possible, the Group will work with appointed recovery agents to agree a settlement structure with the uninsured driver or other responsible party.

5. Other operating income

	Consolidated		Company	
	2023 £'000	2022 £'000	**2023 £'000**	2022 £'000
General enquiries	**838**	560	838	560
Additional levy	**(34)**	8	(34)	8
Electronic vehicle licence fees	**46**	45	46	45
Third party MID enquiries	**2,072**	1,241	2,072	1,241
CUE/MIAFTR/Other	**2,089**	1,919	2,089	1,919
Fees for management services	**7,780**	6,587	11,060	6,576
Other operating income	**12,791**	10,360	**16,071**	10,349

6. Administrative expenses

	Consolidated		Company	
	2023 £'000	2022 £'000	**2023 £'000**	2022 £'000
Claims related fees	**1,310**	1,613	**1,310**	1,613
BAU operational expenses	**69,074**	56,363	**65,487**	47,940
Operating lease costs	**4**	11	**4**	11
Depreciation	**551**	367	**551**	367
Revaluation of property	**-**	(400)	**-**	(400)
Amortisation – leases	**76**	144	**76**	144
Auditors' remuneration – audit	**132**	86	**97**	86
– taxation	**9**	8	**9**	8
Council of Bureaux fees	**133**	84	**133**	84
	71,289	58,276	**67,667**	49,853

Auditors' remuneration is disclosed before VAT. The cost incurred by MIB in connection with the International Council of Bureaux is the contribution paid on behalf of the United Kingdom.

BAU operational expenses comprises the following costs: IT expenditure (software, hardware, hosting etc), staff expenditure, professional fees, building costs and other BAU expenditure including project work.

Since 2019, MIB have taken responsibility for compensating victims of terrorism where a vehicle is used. MIB purchases reinsurance on behalf of the motor insurance industry to cover this risk. The cost of this reinsurance was £8,400,000 in 2023 (2022: £8,400,000).

7. Financial income

	Consolidated and Company	
	2023 £'000	2022 £'000
Bank deposit interest	**2,790**	79
Investment interest	**3,534**	2,443
Realised gains	**1,784**	-
	8,108	2,522

8. Finance expenses

	Consolidated and Company	
	2023 £'000	2022 £'000
Pension costs – IAS 19	**87**	131
Discount unwinding on claims provision (Note 4)	**124,837**	-
Lease finance cost	**4**	11
Guaranteed funding charges	**142**	205
	125,070	347

9. Retirement benefit obligations

The Group operates a defined benefit pension scheme based on final pensionable earnings. The funds are administered by the trustee and are independent of the Group's finances. The scheme was closed to new employees on 1 January 2004. An alternative stakeholder scheme is in operation for all new employees to join.

The scheme is subject to a triennial valuation carried out by Mercer Limited, the scheme's independent actuaries, the most recent being as at 1 January 2021 on the projected unit basis. This valuation has been updated by the independent actuaries for the purposes of IAS 19 in order to assess the assets and liabilities of the scheme as at 31 December 2023.

Contributions to the scheme are made on the advice of the actuaries with the objective that the benefits be fully funded during the scheme members' average working lives. The current valuation indicates that the scheme is 100.9% funded. The current estimated value of the scheme's assets at 31 December 2023 was £30,503,000 (2022: £26,911,000). The pension cost for the year was £87,000 (2022: £131,000). As at 1 January 2024 the continuing contribution was set at a fixed deficit funding amount of £3,300,000 per annum (2022: £3,300,000).

The principal assumptions used in updating the valuation are set out below:

	2023 % pa	2022 % pa	2021 % pa	2020 % pa	2019 % pa
Discount rate	**4.6**	4.9	1.9	1.5	2.1
Expected rate of future salary increases	**-**	-	-	-	-
Expected rate of future pension increases	**3.1**	3.2	3.2	2.9	2.8

The market value of assets in the scheme as at 31 December 2023 were £30,503,000 (2022: £26,911,000; 2021: £41,425,000; 2020: £33,139,000; 2019: £29,637,000).

The derivation of the overall expected return on assets reflects the actual asset allocation at the measurement date combined with an expected return for each asset class. The bond return is based on the prevailing return available on fixed interest gilts. The return on equities and property is based on a number of factors including:

- the income yield at the measurement date;
- the long-term growth prospects for the economy in general;
- the long-term relationship between each asset class and bond returns; and
- the movement in market indices since the previous measurement date.

The categories of scheme assets and their expected long-term rates of return, measured in accordance with the requirements of IAS 19 are as follows:

	2023 £'000	2022 £'000	2021 £'000	2020 £'000	2019 £'000
Equities	**-**	1,788	5,719	5,957	5,269
Bonds	**3,864**	6,404	13,074	17,995	16,084
Property	**-**	1,257	2,683	541	486
Other	**26,639**	17,462	19,950	8,646	7,798
Fair value of assets	**30,503**	26,911	41,426	33,139	29,637
Present value of liabilities	**(30,217)**	(30,346)	(49,843)	(46,074)	(39,426)
	286	(3,434)	(8,417)	(12,935)	(9,789)
Net pension (liability) – non-current	**-**	(134)	(5,117)	(10,435)	(7,266)
Net pension asset / (liability) – current	**286**	(3,300)	(3,300)	(2,500)	(2,523)
	286	(3,434)	(8,417)	(12,935)	(9,789)

The classification between current and non-current portions of the net pension liability is based anticipated costs for the next year.

The movement in the deficit over the period is as follows:

	2023 £'000	2022 £'000	2021 £'000	2020 £'000	2019 £'000
Deficit at 1 January	**(3,434)**	(8,417)	(12,935)	(9,789)	(14,327)
Current service cost	**-**	-	-	(112)	(520)
Contributions	**3,300**	4,367	6,224	1,385	7,645
Other finance cost	**(88)**	(131)	(147)	(231)	(305)
Actuarial gain / (loss)	**508**	747	(1,559)	(4,188)	(2,282)
Past service costs	**-**	-	-	-	-
Surplus / (deficit) at 31 December	**286**	(3,434)	(8,417)	(12,935)	(9,789)

Analysis of the amount charged to administrative expenses:

	2023 £'000	2022 £'000	2021 £'000	2020 £'000	2019 £'000
Current service cost	**-**	-	-	112	520
Past service cost	**-**	-	-	-	-
Total operating charge	**-**	-	-	112	520

Analysis of the amount charged / (credited) to other finance costs:

	2023 £'000	2022 £'000	2021 £'000	2020 £'000	2019 £'000
Interest income on plan assets	**(1,362)**	(822)	(538)	(631)	-
Administration costs (excl. asset management costs)		-	-	38	38
Interest on liabilities	**1,450**	953	685	824	267
Other finance costs	**88**	131	147	231	305
Total charge for year	**88**	131	147	343	825

The Group has recognised actuarial gains and losses through the statement of other comprehensive income.

The following analysis has been recognised in the statement of other comprehensive income:

	2023 £'000	2022 £'000	2021 £'000	2020 £'000	2019 £'000
Return on plan assets less interest income on plan assets	**(46)**	(19,038)	2,176	2,076	1,316
Experience gains and losses arising on liabilities	**(273)**	(2,063)	(1,946)	18	501
Changes in assumptions underlying the present value of the liabilities	**827**	21,848	(1,789)	(6,282)	(4,099)
Total actuarial gain / (loss)	**508**	747	(1,559)	(4,188)	(2,282)

Amounts recognised in the statement of financial position:

	2023 £'000	2022 £'000	2021 £'000	2020 £'000	2019 £'000
Present value of funded obligations	**(30,217)**	(30,345)	(49,843)	(46,074)	(39,426)
Fair value of assets	**30,503**	26,911	41,426	33,139	29,637
Net asset / liability recognised in the statement of financial position	**286**	(3,434)	(8,417)	(12,935)	(9,789)

Change in assets during the year

	2023 £'000	2022 £'000
Opening asset	**26,911**	41,426
Interest income on assets	**1,363**	822
Return on assets excluding interest income	**(46)**	(19,039)
Employer contributions	**3,300**	4,367
Benefits paid	**(1,025)**	(665)
Administration costs	**-**	-
Closing assets	**30,503**	26,911

Change in liabilities during the period

	2023 £'000	2022 £'000
Opening liabilities	**30,346**	49,843
Current service cost	**-**	-
Interest cost on defined benefit obligation	**1,450**	953
Benefits paid	**(1,025)**	(665)
Actuarial gain on changes in financial assumptions	**921**	(21,578)
Actuarial loss on changes in demographic assumptions	**(1,748)**	(270)
Experience loss on liabilities	**273**	2,063
Closing liabilities	**30,217**	30,346

Sensitivity analysis

	Estimated increase / (decrease) to obligation		Estimated increase / (decrease) to obligation	
Assumption	**Plus**	**£'000**	**Minus**	**£'000**
Discount rate	0.1%	500	0.1%	(500)
Inflation	0.1%	400	0.1%	(300)
Life expectancy	1 year	800	1 year	(800)

These movements have been calculated assuming that changes in the inflation assumption have a knock-on effect on the pension increase (ie the "real" increase rates are maintained) there have been no changes to the assumptions made this year.

Major assumptions for the IAS 19 valuation are:

		2023	2022
Discount rate		**4.60%**	4.85%
RPI inflation		**3.20%**	3.30%
CPI inflation		**2.55%**	2.65%
Pension increases in payment:	– RPI inflation capped at 5.0% p.a.	**3.05%**	3.15%
	– CPI inflation capped at 3.0% p.a.	**2.10%**	2.15%
Deferred revaluation:	– RP inflation capped at 2.5% p.a.	**2.50%**	2.50%
	– CPI inflation capped at 5.0% p.a.	**2.55%**	2.65%

The liabilities at 31 December 2023 have been calculated using the projected unit method by rolling forward the preliminary results of the triennial funding valuation as at 31 December 2020.

These rolled-forward results have then been adjusted to reflect the IAS 19 financial and demographic assumptions applicable at 31 December 2023

10. Taxation

Current tax expense

	Consolidated		Company	
	2023 £'000	2022 £'000	**2023 £'000**	2022 £'000
UK corporation tax at 19% (2020: 19%)	**-**	-	**-**	-
Adjustment in respect of prior years	**-**	-	**-**	-
R&D tax claim	**-**	-	**-**	-
Total current tax	**-**	-	**-**	-

Factors affecting the tax charge for the period

	Consolidated		Company	
	2023 £'000	2022 £'000	**2023 £'000**	2022 £'000
(Loss) / profit before tax	**-**	-	**-**	-
Tax expense using the UK corporation tax rate of 23.52% (2022: 19%)	**-**	-	**-**	-
Non-deductible expenses	**3**	39	**3**	39
Income not taxable for tax purposes	**-**	(76)	**-**	(76)
Deferred tax not recognised	**(7)**	37	**(7)**	37
Remeasurement of deferred tax for changes in tax rates	**1**	-	**1**	-
Other differences	**3**	-	**3**	-
	-	-	**-**	-

The Group has a deferred tax asset of approximately £494,000 (2022: £501,000) which is not recognised on the grounds that there is insufficient evidence that the asset will be recoverable against suitable taxable income.

11. Property, plant and equipment – Consolidated and Company

	Land and buildings £'000	Fixtures and fittings £'000	Right-of-use asset £'000	Total £'000
Cost				
At 1 January 2023	4,000	2,756	220	6,976
Revaluation	-	-	-	-
Additions	-	-	605	605
Disposals	-	(2)	(220)	(222)
At 31 December 2023	**4,000**	**2,754**	**605**	**7,359**
Depreciation				
At 1 January 2023	-	368	144	512
Charge for year	-	551	76	627
Disposals	-	(1)	(220)	(221)
At 31 December 2023	**-**	**918**	**-**	**918**
Net book value				
At 31 December 2023	**4,000**	**1,836**	**605**	**6,441**
At 31 December 2022	**4,000**	**2,388**	**76**	**6,464**

A revaluation of property was undertaken by an independent valuer effective 31 December 2022. If the property were to be carried under the cost model, the value would be £3,725,000. See Note 17 for right of use asset details.

The carrying amount in accordance with the latest revaluation does not differ materially from that which would be determined using fair value at the end of the reporting period. The property is a level 2 valuation using the current market environment and last revaluation amount as the basis for the current fair value amount. There have been no changes to the valuation method from 2022.

12. Intangible assets – Consolidated and Company

	Intangible assets £'000	Total £'000
Cost		
At 1 January 2023	3,591	3,591
Additions	-	-
Disposals	-	-
At 31 December 2023	**3,591**	**3,591**
Amortisation		
At 1 January 2023	321	321
Charge for year	3,270	3,270
At 31 December 2023	**3,591**	**3,591**
Net book value		
At 31 December 2023	**-**	**-**
At 31 December 2022	**3,270**	**3,270**

Intangible assets comprise of expenditure incurred in the development of databases created from internal projects undertaken by MIB. See page 10 for more details about the Navigate platform built by MIB. During 2023, the Navigate programme was redefined into two phases, with the incremental future economic benefit now planned for delivery in the second phase, resulting in the costs for phase one (the re-platforming of MID) being fully impaired in 2023.

13. Cash and cash equivalents

	Consolidated		Company	
	2023 £'000	2022 £'000	**2023 £'000**	2022 £'000
Cash at bank and in hand	**77,482**	29,632	**76,188**	29,212
	77,482	29,632	**76,188**	29,212

Cash and cash equivalents comprise cash held by the Group and short-term bank deposits with an original maturity of three months or less.

14. Financial investments – Consolidated and Company

	2023 £'000	2022 £'000
Corporate Bonds	**133,697**	103,837
Gilts	**32,991**	33,302
Equity	**26,078**	10,109
Total	**192,766**	147,248
Level 1 investments	**123,913**	117,567
Level 2 investments	**68,853**	29,681
Level 3 investments	**-**	-
Total	**192,766**	147,248

During the year, MIB held investments in Corporate Bonds, Government Gilts and Equity. The carrying amounts of these assets approximate to their fair value as at 31 December at bid market price. All investments are measured at value though Other Comprehensive Income. These are level 1 and 2 investments due to their price being index linked. See note 20 for credit risk. Additionally, the company owns £1 investment in each of its four subsidiaries. See Note 18 for details.

All MIB's investments fall within stage 1 of IFRS 9, MIB's investments are deemed low risk with capital preservation as a key requirement along with low-income volatility and liquidity and they must have long term ratings of BBB or higher. Due to the low-risk nature of MIB's investments, and based on current and forecast future market performance, no net losses are expected in the next 12 months and as such Management have deemed that no additional provision is required within the financial statements.

15. Trade and other payables

	Consolidated		Company	
	2023 £'000	2022 £'000	**2023 £'000**	2022 £'000
Trade payables	**1,220**	1,847	**1,220**	1,826
Advanced levy payments	**3,025**	4,889	**3,025**	4,889
Accrued expenses	**17,929**	17,450	**17,359**	15,661
Deferred revenue	**42,815**	44,991	**42,815**	44,991
Other payables – tax and other	**1,966**	1,811	**1,498**	1,445
	66,955	70,988	**65,917**	68,812

Accrued expenses consist entirely of business accruals (operating costs) and lease liabilities. In 2022 and 2023, all trade and other payables were classified as current, and were settled within one year.

16. Trade and other receivables

	Consolidated		Company	
	2023 £'000	2022 £'000	**2023 £'000**	2022 £'000
Additional levy receivable	**2,951,360**	3,073,614	**2,951,360**	3,073,614
Intercompany receivables	**-**	-	**521**	32
Other trade receivables	**45,468**	46,916	**45,677**	46,796
Prepayments	**1,862**	1,540	**1,388**	1,212
Other receivables	**644**	7,683	**644**	6,344
	2,999,334	3,129,753	**2,999,590**	3,127,998

Other trade receivables consist of sales ledger balances due from Members and recoveries receivable (amounts due from the recovery agents) less bad debt provisions.

17. Reconciliation of operating profit to net cash inflow from operating activities

Inflows from operating activities

	Consolidated		Company	
	2023 £'000	2022 £'000	**2023 £'000**	2022 £'000
Operating gain / (loss)	**116,962**	(2,175)	**116,962**	(2,175)
Depreciation of property, plant and equipment	**551**	367	**551**	367
Revaluation of property	**-**	(400)	**-**	(400)
Unwinding of discount	**(124,837)**	-	**(124,837)**	-
Intangible impairment	**3,270**	-	**3,270**	-
IAS 19 gain	**(508)**	-	**(508)**	-
Right-of-use asset	**76**	144	**76**	144
Pension deficit top up	**(3,300)**	(4,236)	**(3,300)**	(4,236)
Accrued interest	**180**	2,443	**180**	2,443
Decrease / (increase) in trade and other receivables	**129,847**	(164,656)	**128,408**	(163,341)
(Decrease) / increase in trade and other payables	**(3,620)**	395	**(2,483)**	(848)
(Decrease) / increase in provisions and other liabilities	**(36,152)**	222,292	**(36,724)**	222,292
	82,469	54,174	**81,595**	54,246

18. Operating lease commitments

The group has elected not to recognise a right-of-use asset for short term leases (leases of expected term of 12 months or less) or for leases of low-value assets. Payments made under such leases are expensed on a straight-line basis. In addition, certain variable lease payments are not permitted to be recognised as lease liabilities and are expensed as incurred.

The expense relating to payments not included in the measurement of the lease liability is as follows:

	Consolidated and company	
	2023 £'000	2022 £'000
Within 1 year	**44**	11
Later than 1 year and less than 5 years	**473**	-
Total operating lease commitments	**517**	11

Lease liabilities

Operating leases recognised as lease liabilities all relate to property rental and are classified as right of use assets within fixed assets, details of the carrying amounts which can be seen in Note 11. These items are depreciated over a period of 2-5 years according to the length of the lease.

Lease liabilities are presented in the statement of financial position as follows:

	Consolidated and company	
	2023 £'000	2022 £'000
Within 1 year	**103**	76
Later than 1 year and less than 5 years	**414**	-
Total operating lease liabilities	**517**	76

Note: these amounts are included within accrued expenses (see note 15) in Trade and other payables.

The following are the amounts recognised in the statement of comprehensive income:

	Consolidated and company	
	2023 £'000	2022 £'000
Depreciation expense of right-of-use assets	**76**	144
Interest expense on lease liabilities	**4**	11
Expense relating to short-term leases of low-value assets (included in operating expenses)	**-**	-
Total amount recognised in the statement of comprehensive income	**80**	155

The Group had total cashflows for leases of £376,500 (2022: £181,000). There are no leases currently in place which have not started.

19. Subsidiaries

Details of the Parent Company's subsidiaries at the end of the reporting period are as follows:

Name of subsidiary	**Principal activity**	**Place of incorporation**	**Ownership**	**Net assets £**	**Net profit after tax**
Tracing Services Limited	Provision of administration services	England and Wales	100%	1	-
MIB Portal Services Limited	England and Wales	England and Wales	100%	1	-
Official Injury Claim Limited	Managing OICL website	England and Wales	100%	1	-
MIB Management Services Limited	Provision of administration services	England and Wales	100%	1	-

The registered office of the above companies is Linford Wood House, 6-12 Capital Drive, Linford Wood, Milton Keynes, MK14 6XT, United Kingdom.

Name of related entity	**Principal activity**	**Place of incorporation**	**Ownership**	**Net assets £**	**Net profit after tax**
Claims Portal Limited	Maintenance of Portal database	England and Wales	50%	2	-

The Group owns 50% of Claims Portal Limited which it classifies as an associated company but MIB does not have any control over its financial and operating decisions, these are fully managed by the Claims Portal Board with no input from MIB; therefore, Claims Portal Limited has not been consolidated in these financial statements but the investment of £1 held by the dormant company MIB Portal Services Ltd is shown within investments.

Based on the business model of Claims Portal Ltd, it operates on a net nil basis and therefore there are no profits/ losses to be accounted for under equity accounting.

The registered office of Claims Portal Limited is 6-12 Capital Drive, Linford Wood, Milton Keynes, MK14 6XT, United Kingdom.

20. Related parties

Balances and transactions between the company and its subsidiaries, which are related parties to the Group, have been eliminated on consolidation and are not disclosed in this note. Details of other transactions between the Group and other related parties are disclosed below.

The MIB Board comprises three Executive Directors from the Group and a majority of Non-Executive Directors who are senior members of the motor insurance industry. The Non-Executive Directors do not receive any form of remuneration for the services they provide in their capacity as Board members. There are no other transactions between the Non-Executive Directors and the Group. There was no involvement from the Non-Executive Directors over the claims and reserving function.

From time to time, MIB, during its general course of business, may engage in Members' services. These services, including the provision of insurance and reinsurance, are undertaken on an arm's length basis.

There are no further related party transactions to note.

21. Key and Principal risks – Financial risk management

The Group has exposure to the following key and principal risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk
- Climate risk
- Reserving and foreign exchange risk

The Group has a risk management function that manages and continuously monitors the financial risks relating to the Group's operations. The Group's senior management meets regularly to review and, if appropriate, approve the implementation of optimal strategies for effective management of financial risk. The process includes documentation of policies, including limits, controls and reporting structures.

The Audit and Risk Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. Outputs from regular and ad-hoc reviews are reported to the Board of Directors which assumes overall responsibility for the establishment and oversight of the Group's risk management framework.

Credit risk

The Group is exposed to credit risk if an insurer or counterparty to a financial instrument fails to meet its contractual obligations, resulting in financial loss to the Group. Credit risk consists mainly of cash deposits, cash equivalents, trade receivables and the right to call additional amounts from the motor insurance market.

An Investment Committee is in place to recommend strategies and monitor the investment policies and practices of MIB and report to the Board. All new placements of funds are either placed through cash deposits with institutions agreed in accordance to an approved counterparty list that have a credit rating of at least F1 from Fitch and within absolute counterparty limits, or in the third party managed investment portfolio within which all securities must have long term ratings of BBB (S&P), BBB (Fitch), Baa2 (Moody's) or higher. These are level 2 investments due to their price being index linked.

The Group's trade receivables largely consist of levy due from insurers. In order to write motor business, insurers must become a Member of MIB and adhere to the terms and conditions laid out in its Memorandum and Articles of Association. The terms require each Member to pay a levy to MIB, calculated on the basis of the volume and class of business written over each financial period. The majority of the levy is collected by monthly direct debit with a right to charge interest for any late payment. Ultimately, should an insurer default or become bankrupt or insolvent, the debt can be passed to the general market for reimbursement. Therefore, non-payment of levy from a Member presents a negligible risk to the Group. The Group has the right to call an additional levy from Members should it wish to do so. The additional levy receivable shown in Note 16 of £2,951 million (2022: £3,074 million) represents the estimated value of all current and "incurred but not reported" claims, a portion of this amount can be called upon within 12 months of the statement of financial position date. While this represents a significant amount within the statement of financial position, the risk of non-payment is considered unlikely given that the overall premium income generated by the motor insurance market in 2023 was £19 billion (2022: £18 billion) and all members have to be well capitalised for regulatory purposes. Therefore, a risk would only be presented if the entire motor insurance market was to fail which is a very unlikely occurrence.

Liquidity risk

In order to mitigate any liquidity risk, the Group's approach is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, without incurring unacceptable losses or risk damage to the Group's reputation.

There are no significant amounts of insurance payables that fall due for payment by MIB other than within one year. Provisions as disclosed on the balance sheet include provisions for outstanding claims, a significant element of which are payable after more than one year.

Gross outstanding claims – estimated payment profile

Payment period	**2023 £'000**	**2023 %**	2022 £'000	2022 %
Within 1 year	**506,600**	**15.8**	531,500	16.2
Between 1 and 5 years	**2,026,400**	**63.1**	2,126,000	64.7
Later than 5 years	**675,941**	**21.1**	584,445	19.1
Total	**3,208,941**	**100.0**	3,241,945	100.0

The levy call for each year is estimated through actuarial techniques carried out by independent actuaries. This involves the analysis of historical data in relation to the volume and type of claims reported and the value of settlements by accident year. Factors such as claims inflation are taken into account to establish trends and projections for future claims payments which, ultimately, decide the levy amount each year.

In addition to this, MIB continued to secure a guarantee funding line of £100m to diversify our cash holdings which was renewed in July 2023.

Cash forecasts identifying the liquidity requirements of the Group are produced and reviewed regularly to ensure sufficient financial headroom exists to meet future obligations. The levy is collected over 12 instalments on the first working day of each month and placed in instant access cash deposits and call accounts. Any surplus amounts left at the end of the month are invested in corporate bonds. Cash deposits are invested for a period no longer than 31 days. Cash deposits are managed such that there is sufficient liquidity each month to meet any unexpected liabilities.

	Consolidated		**Company**	
Cash in hand and bank deposits	**2023 £'000**	2022 £'000	**2023 £'000**	2022 £'000
Total cash in hand	**77,482**	29,632	**76,188**	29,212

Market risk

Interest rate risk arises from the Group's cash deposits it holds with banks and investment in corporate bonds.

At the date of the statement of financial position, the Group held cash deposits with banks which were available on demand. The remainder of investments were invested in fixed interest rate corporate bonds. During the year, a number of cash deposits held with banks for a maximum period of 365 days matured and were reinvested in the investment portfolio. The following table illustrates the change in bank deposit interest receivable in a change in interest rate upon inception of +2% and –2% with effect from beginning of the year based on weighted averages.

	2023 Actual £'000	**2023 +2% £'000**	**2023 -2% £'000**	2022 Actual £'000	2022 +2% £'000	2022 -2% £'000
Interest receivable	2,233	2,276	2,190	79	102	55

Note: Interest rate capped at -2% from the actual weighted rate or if this produces a negative figure this is taken to be 0%.

Climate risk

ESG

MIB is moving to a strategy of understanding the impact on the environment and society as well as how robust and transparent its governance is in terms of company leadership, gender parity pay, audits, internal controls and transparency for our members.

ESG allows the business to target different areas of its organisation and implement more sustainable, ethical practices.

Examples of environmental business practices include:

- reducing energy and using renewable energy sources to become a net zero organisation
- developing greener products and services
- switching to zero-waste products or sustainable packaging using biodegradable materials
- reducing carbon emissions by changing to LED lighting
- encouraging recycling and reducing the amount of waste destined for landfill.

We are looking for ways to positively contribute to fairness in society, investing in fair and equal opportunities and conditions for employees, people working in the supply chain and local communities.

Equality and fairness are at the heart of this aspect and examples of social and ethical business practices include:

- ensuring products are safe and customer data is secure
- preventing abuses within the supply chain, such as labour rights, including modern slavery and freedom of association
- providing training and supporting health and safety, and wellbeing
- promoting equality in the workforce with diversity and inclusivity policies
- investing in local community projects, such as funding educational initiatives.

At MIB, governance is more than the processes of decision-making, reporting and the logistics of running a business. It also looks at the business's ethical behaviour and its transparency with members and the market about its activities. It is also linked to the environmental and social aspects of ESG in that it looks at the transparency and decision-making behind them.

Examples of governance practices include:

- accurate reporting to stakeholders on financial performance, business strategy and operations
- ensuring business leaders and managers are accountable for risk and performance management
- undertaking business ethically, such as preventing bribery
- ensuring diversity in any leadership team and being open about executive pay.

Further detail on this area can be found in the Directors' Report.

Reserving and foreign exchange risk

Case reserves are estimated based on the available information at any given time. There is a risk that individual case reserves may not be adequately provided for due to the lack of information available. However, reserves are individually reviewed and adjusted accordingly as and when new information is provided to the Group. Regular reviews are performed to ensure case reserves are kept up to date and to minimise any risk in the understating of reserves.

The Group is potentially exposed to currency risk arising from the recording and reporting of accidents occurring outside the UK under the Green Card Agreement. Accidents occurring in an EU participating country are reported to the Group with an estimate of an appropriate reserve in that country's base currency, primarily the Euro. This amount is converted to Sterling at the spot rate at the time of notification and recorded within the Group's reserves. Any notification of a change in reserve thereafter is appropriately adjusted, with the total reserve amount for that claim being converted at the new spot rate. However, there are claims where a reserve is not provided by the participating country. In this instance, a standard reserve amount is set. Claims are eventually settled in the appropriate currency, which is then converted and recorded in Sterling at the spot rate applicable at the date of transaction. Any variances form part of the claims payment made.

No foreign exchange variances are physically incurred, all variances will relate to the final amount agreed as payment and the exchange rate at that particular time vs the amount reserved for the case. All variances are shown through the claims payment and reserves sections of the financial statements.

The value of Green Card claims with such exposure is £34.4 million (2022: £37.1 million) of which £1.0 million (2022: £1.2 million) represents cases where a standard reserve amount has been set. Therefore, the maximum potential exposure to currency risk is £33.3 million (2022: £38.3 million), which represents 1.0% (2022: 1.2%) of the overall case reserves. If Sterling was to either strengthen or weaken by 25 basis points against the Euro at the statement of financial position date, the potential impact on reserves would be a reduction of £9.2 million (2022: £10.6 million) or an increase of £5.9 million (2022: £6.7 million), based on an exchange rate of 1.153413452 (2022: 1.127585) Euros to £1 Sterling.

Capital management

MIB remains a group limited by guarantee, without a share capital. The Group does not consider that it has capital or equity under its management as defined by IAS 1. Accordingly, there are no capital management policies.

22. Post Balance Sheet Event

On 21 March 2024, the Trustee of the Motor Insurers' Bureau Pension and Assurance Scheme ("the Scheme"), entered into a buy-in contract covering all members of the Scheme. In return for a premium paid from the Scheme's assets and a contribution from MIB, from the date of the buy-in, payments will be made to the Scheme that match the benefit payments to Scheme members covered under the buy-in contract. The price of the buy-in totalled £4.9 million.

The buy-in is accounted for as a change in the Scheme's investment strategy. From the buy-in date, the value of the buy-in will be included in the fair value of plan assets on the Company balance sheet. The value of the buy-in will be determined as equal to the value of the Scheme's liabilities covered by the buy-in contract, as determined in accordance with the requirements of IAS 19. Any change to the fair value of plan assets arising from the buy-in will be recognised through Other Comprehensive Income at the 31 December 2024 year end.

The buy-in is a non-adjusting post balance sheet event per the guidance set out in IAS 10 as the buy-in contract was executed after the balance sheet date.

Glossary

askCUE PI

The askCUE PI (personal injury) service allows approved solicitor organisations to check their client's records held on the CUE PI database. The service was introduced to meet the requirements of the Pre-Action Protocol for Low Value Personal Injury Claims in Road Traffic Accidents (the RTA Protocol) which states that Claim Notification Forms (CNF) submitted through the Claims Portal from 1 June 2015 must contain an askCUE PI search reference number generated by the service.

askMID.com

Two convenient and easy to use online services are available through www.askMID.com. The first is free and allows anyone to check that their vehicle registration appears on the Motor Insurance Database (MID). The second is a low-cost service for legal professionals and anyone whose property has been damaged in an accident to check the insurance details of the third-party vehicle.

Claims and Underwriting Exchange (CUE)

The Claims and Underwriting Exchange (CUE) is a central database of motor, home, travel and personal injury/industrial illness incidents reported to insurance companies, which may, or may not give rise to a claim.

Claims leakage

Claims leakage is an important financial indicator of quality in the claims settlement process and is the level of money lost as a result of actions such as inefficient processing, improper payment, human error and poor decision-making. MIB refers to it as 'any payment in excess of what a top-quartile experienced claims handler would have obtained with realistic information and available resources by applying best practice principles'.

Claims lifecycle

Every claim goes through a progressive cycle, from the date the claim is notified to the date the claim is closed or settled. This is called the 'lifecycle of a claim'.

Continuous Insurance Enforcement (CIE)

CIE is aimed at overcoming the problem of vehicles not specifically covered by any insurance policy (even a blanket policy) being used by drivers. This means that vehicles, whether they are being driven or not, will require insurance. The scheme is enforced using the Motor Insurance Database (MID) – the central record of insurance – and vehicles do not need to be seen on the roads before action can be taken. The two main exemptions are where a vehicle has been statutorily declared off road (SORN) or a change of keeper is in the process of being completed by the DVLA.

Green Card

MIB acts as the UK Green Card Bureau and supports motorists making claims after an accident with a foreign vehicle in the UK. It is also the UK Compensation Body and can be contacted if a UK resident has an accident abroad with a foreign vehicle.

Glossary (continued)

Guarantee fund

MIB's handling of claims is governed by agreements with the government as well as the Road Traffic Act 1988 and subsequent regulations. MIB awards compensation, where it cannot be claimed from another source, for death, injury and property damage as a result of an accident with a motor vehicle, on a road or a public place. MIB's claims handling experts settled more than 41,000 claims in 2023 for accidents involving uninsured and untraced vehicles and seek to settle the claims fairly and promptly.

Levy

MIB compensates victims of road accidents caused by uninsured or untraced drivers and this work is governed by two documents: the Uninsured and the Untraced Drivers' Agreements. Organisations writing motor insurance are required to become Members of MIB and contribute by means of a levy.

Independent actuaries calculate the annual levy value by estimating the likely cost of settling claims plus business running costs, net of expected investment returns. This becomes the levy call and Members contribute based on the amount and type of business they have written. The bigger the market share a Member has, the higher the amount of levy payable.

The levy uncalled represents the movement in case reserves during the year, plus the estimated value of those claims that are 'incurred but not reported' at the statement of financial position date. This is the amount that can be levied to Members within 12 months of the statement of financial position date and only such sums to discharge liabilities for claims and supplementary agreement costs will be called up. MIB is a not-for-profit group and so the additional levy uncalled is treated as income so as to meet our additional obligations arising from the movement in reserves.

The leviable premium represents the sum of the levy call and the levy uncalled that year.

Motor Insurance Anti-Fraud and Theft Register (MIAFTR)

MIAFTR is a database containing records of written-off and stolen vehicles, as defined by the Code of Practice for the Disposal of Motor Vehicle Salvage. MIAFTR was designed and developed to help monitor vehicles written off for insurance purposes, to help trace and recover stolen vehicles and to help detect fraud.

Motor Insurance Database (MID)

Under the 4th EU Motor Insurance Directive, member countries are required to improve the ease of handling cross-border claims within Europe. To meet its obligations, each country is required to maintain a register of all insured vehicles. The UK's version of such a system is provided through the Motor Insurance Database (MID).

The MID is the only central record of all insured vehicles (40 million) in the UK. The MID is updated daily by all UK insurers, which are required to meet targets for timeliness and accuracy set by the Department for Transport.

The MID is used by the police to identify and seize vehicles being driven without insurance. It is also used by the Driver and Vehicle Licensing Agency to electronically check a vehicle's insurance every time a person applies online or by telephone for vehicle tax.

The MID is becoming the most important tool to reduce the level of uninsured vehicles in the UK. Since 2011, the MID has been used to support the delivery of CIE.

MIB Management Services Limited (MIB MSL)

During the year MIB MSL provided management services including staffing, administration and financial services to the Insurance Fraud Bureau Limited (IFB) and Claims Portal Limited. All costs incurred by MIB are recharged to the IFB and Claims Portal Limited via MIB MSL.

Glossary (continued)

MyLicence

MyLicence went live in December 2014 and is a joint initiative between the Driver and Vehicle Licensing Agency (DVLA), the Department for Transport and the insurance industry, which is represented by the Association of British Insurers and MIB. MyLicence gives insurers access to accurate data from the DVLA on motoring entitlements, convictions and penalty points when providing quotes for insurance policies.

No Claims Discount (NCD) database

The No Claims Discount (NCD) database was completed in June 2015 and allows users to access no claims discount information.

Official Injury Claim service – Civil Liability Act and changes to Civil Procedure Rules

The Ministry of Justice (MoJ) has partnered with MIB to manage the creation of a new service to support low-value personal injury claims, with the primary emphasis on supporting unrepresented claimants. The service went live in June 2021. This forms part of a package of measures being introduced by the government to reduce the costs related to soft-tissue injury claims arising from road traffic accidents. The service will be a distinct brand from the MoJ and MIB.

Tracing Services Limited (TSL)

TSL provides management services including staffing, administration and financial services to the Employers' Liability Tracing Office (ELTO). All costs incurred by MIB are recharged to ELTO via TSL.