

# Motor Trade and Fleet Newsletter

Broker Edition

March 2015

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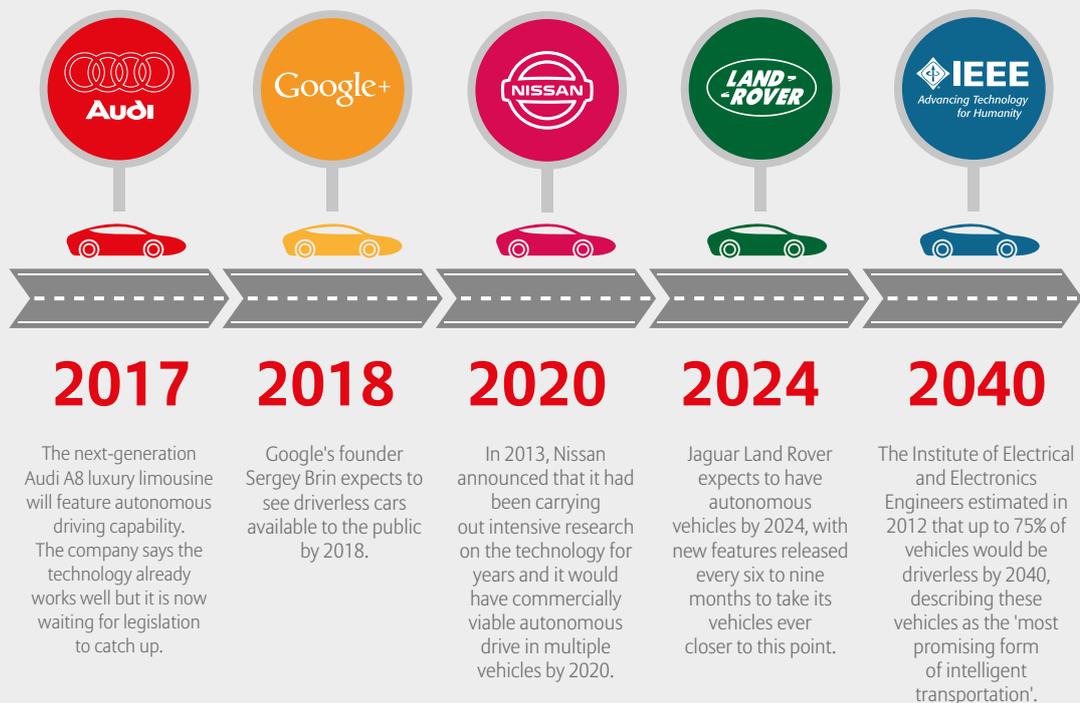
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## Autonomous vehicles when will they be on the roads?



## The Future of Mobility

The next 10 to 20 years will bring advances in technology which will change our relationship with motor vehicles, leading to what is being widely heralded as the future of transport - the autonomous, or driverless, car. These technological advances will have far-reaching effects, with major implications for society, the economy and the insurance industry. In the UK, formal driverless-car trials kicked off in January this year and are expected to run for between 18 and 36 months. This is being supported by a review of relevant legislation and regulation by the Department of Transport.

In our upcoming Future of Mobility whitepaper, we address all of the key issues, look at the likely evolution of mobility in the next couple of decades and assess how the improvements to road safety and accident risk will impact insurance and liability.

**Look out for the whitepaper on ebroker in the coming weeks!**



## DVLA UPDATE paper counterpart



Following lobbying of the Government by various trade bodies, including the British Vehicle Rental & Leasing Association (BVRLA) and the Retail Motor Industry (RMI), the Driver and Vehicle Licensing Agency (DVLA) has decided to push back its abolition of the driving licence paper counterpart until 8th June 2015. [Click here to read previous article.](#)

Various industry bodies have asked the DVLA to provide suitable alternatives to the paper counterpart in order that a real-time driver licence checking service will be available, of particular use to motor traders and vehicle rental organisations. In this regard, the DVLA states that it is developing the ability for individuals to be able to request one time passwords to pass onto third parties to check details. Passwords would only be valid for 72 hours though an individual can request multiple one-time passwords. Therefore contract drivers can pass these out to different organisations. The Government is developing an Access to Driving Licence for trusted third parties. This will give real time access via business to business interface and should be available by the summer 2015. Users will have to obtain consent from the GB Driving Licence Holder and retain evidence for audit purposes. The DVLA is considering the charging model at the present time.



The DVLA is working on a suitable solution and we will keep you up to date via our websites and newsletters. In the meantime, all relevant third parties can continue to ask for the paper counterpart of an individual's driving licence for verification purposes.

### AWARDS

## BusinessCar

We were delighted to be awarded the 2015 **Businesscar Insurance Award**, this is voted for by our fleet managers.

[You can read all about the award here](#)

## Insurance bill news



On 12th February, the Insurance Act 2015 received Royal Assent. This Act reforms post contractual issues for consumer and non-consumer insurance contracts and pre-contractual obligations on commercial policyholders to make fair presentation of the risk. These reforms represent the largest overhaul to insurance contract law in England, Scotland and Wales in over a century. They are intended to bring the market into the twenty first century by rebalancing rights and remedies when things go wrong.

Insurers have the option to opt out of these changes or embrace them by August 2016. As we always have the customer at the forefront of what we do, we have gone above and beyond the actions required and intend to adopt the reforms with immediate effect.

[You can read our guide to the reforms online here](#)

# Vehicle management – one year on



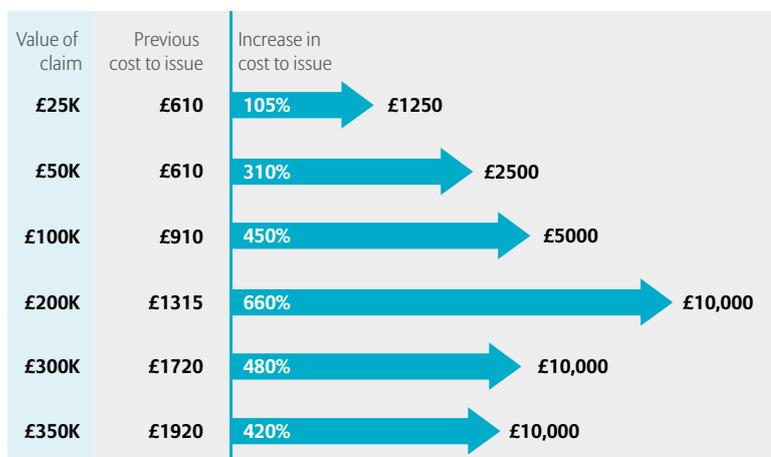
The DVLA Vehicle Management system went live mid-January. The online system enables motor dealers to notify the DVLA when they've bought a vehicle from a motorist, typically in part exchange. This will update the DVLA in real time, removing the current keeper from the record on the same day. It will also enable the keeper to receive a refund of any tax remaining on the vehicle and removes the requirement to complete and send back the paper based V5C form.

In addition, the next phase of the online service will enable dealers to inform the DVLA that a customer has bought a car from them; updating records and removing any need for paperwork to be completed and sent to DVLA.

YOU CAN FIND OUT MORE ABOUT BOTH SERVICES VIA DVLA WEBSITE

## Motor insurers and SMEs in firing line as MOJ announces court fee rises

The new court fee increases have been criticised by legal experts for countering the government's aim of reducing the cost of litigation, amid concerns motor insurers and SMEs will be impacted by the changes.



The increases have been controversial and opposed by many professional associations. The Law Society issued a pre-action letter seeking judicial review of the MOJ's decision and this challenge is ongoing. As 9 March, claims over £10,000 will now have a fee of 5% of the amount of the claim, with a maximum fee of £10,000 for claims worth £200,000 and over.

Calculations from law firm DWF show that fees will increase by as much as 660% on some claims (see box).

For example, a claim valued £100,000 which previously costs £910 to issue will now cost £5000 - representing an increase of 450%. A claim valued at £200,000, which previously cost £1315 to issue, will now cost £10,000 - an increase of 660%.

# Fighting fraud

Each year, insurers invest around £200m to identify fraud, successfully uncovering nearly £1.3bn of dishonest claims in 2013. With insurance fraud adding an extra £50 to everybody's annual insurance bill, it's a problem the industry is taking very seriously.

As well as taking part in and supporting industry wide activities such as the Insurance Fraud Bureau (IFB), the Insurance Fraud Enforcement Department and the Insurance Fraud Register, Allianz has also developed a number of internal strategies to beat the fraudsters.

This is particularly the case within our motor trade claims department where we have taken a proactive approach to identifying fraud. To ensure we are aware of emerging trends and developments, we maintain strong links with the IFB and our own organised fraud team.

All information is cascaded down to our claims handlers through regular fraud awareness training. This training varies from group presentations to individual desk-side coaching by the motor trade fraud coordinator to ensure we have a strong frontline defence against fraudulent claims.

Members of the claims team also receive a bi-monthly newsletter, highlighting successes in the fight against fraud. These cover the cases that have been successfully repudiated and details of the claims avoided.

Our strategy is very successful and has helped us detect a wide variety of fraudulent motor insurance activity. This includes induced accidents; staged and contrived accidents; phantom claimants; bogus theft and arson claims; and exaggerated claims. It has also uncovered incidents of policy abuse and policyholder nondisclosure.

But, while we are proud of our successes, especially as they help to safeguard our customers, we are aware that

it is an area that is constantly evolving with fraudsters' techniques changing all the time. To keep ahead of them, we share information within Allianz and with other insurers and stakeholders such as the police to ensure our strategy remains successful at identifying and deterring fraud.

Brokers and customers also play an important part in our strategy and we encourage our policyholders to keep an eye out for potential fraud at all times. In addition, and to help raise awareness of insurance fraud, we have developed a fraud training package. This is being trialled and we will bring you further information on its future rollout.





**For more information on how Allianz tackles fraud and the steps you can take to help beat the criminals, contact your local Allianz branch.**

### **Help stamp out fraud**

**Gathering as much information as possible at the scene of an incident can help us identify and defend against a fraudulent claim. We recommend taking the following steps where possible:**

- Look inside the other party's vehicles and make a note of how many people are inside, their sex and approximate ages.
- Obtain photographs of the damage to both vehicles, the scene of the accident and the occupants of the other vehicle if it is safe to do so.
- If the other driver stopped suddenly, pay particular attention to the reason for this. If the road ahead was completely clear, it could be a fraudulent accident but there may be a genuine reason, such as a changing traffic light.

**The more description of the incident and the people involved that can be gathered, the better our chances of identifying fraudulent incidents.**

# Keep it safe get it on the register

The theft of off road vehicles is big business for criminals, with government figures showing that around £100 million of agricultural and construction vehicles is stolen annually in the UK.\* While it's been difficult to find these stolen vehicles as they couldn't be registered with the DVLA, the introduction of a new government vehicle registration scheme will help to improve detection rates and stamp out this crime.

Off road vehicles such as motorcycle, quadricycles, plant and construction machinery can now be registered with the DVLA. The scheme, which is voluntary, will give all off road vehicles a unique registration number with a prefix of Q or QNI. Having this registration number will make it easier to return the vehicle to its owner if it is recovered after a theft.

## Getting registered

It is free to register and, as long as the vehicle is only used for off road purposes, owners will not need to have a vehicle test certificate or insurance. Once an off road vehicle is registered, it won't be necessary to make a Statutory Off Road Notification (SORN) every year.

To register, the DVLA requires owners to complete an application for a first tax disc and registration of a used motor vehicle (V55/5), signing the declaration that it won't be used on the public roads.

The application must be accompanied by documentation showing the Vehicle Identification Number, engine number and proof of ownership as well as a photocopy of the owner's UK photocard driving licence as proof of name and address. If a photocard driving licence is unavailable, the DVLA will accept photocopies of documents including a passport, birth certificate and a utility bill.

## Further steps

In addition to registering an off road vehicle with the DVLA, there are other steps that can be taken to reduce the risk of off road vehicles being stolen. Vehicles should be kept secure wherever possible, using security measures such as security fencing and flood lighting if appropriate.

If it is a construction or agricultural vehicle, registering it with the Construction & Agricultural Equipment Security and Registration Scheme (CESAR) is also recommended. With this, as well as putting it on a central database, it will automatically be included on the DVLA off road register. CESAR will also provide support with security marking, including advanced data-dots and a data DNA solution, and plant identification, using embedded chips and tags to enable instant verification of ownership.



\* [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/246390/horr73.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/246390/horr73.pdf)



JUL - SEPT 2014		
Rank	Quad Makes	Total
1	Honda	92
2	Yamaha	28
3	Suzuki	20
	Others	52
	<b>TOTAL</b>	<b>192</b>

OCT - DEC 2014		
Rank	Quad Makes	Total
1	Honda	115
2	Yamaha	34
3	Suzuki	15
	Others	48
	<b>TOTAL</b>	<b>212</b>

As you can see from the tables above Quad thefts across the UK are on the increase, these can be easy to steal, and put in the back of light commercial vehicles or trailers. Crime prevention is of paramount importance in reducing theft of Quads.

[You can view the full report here](#)  
[Panui 22nd report http://www.datatag.co/paniu/#p=1](http://www.datatag.co/paniu/#p=1)



For more information about registering an off road vehicle or the CESAR scheme, contact your local Allianz branch.

# Me, myself and I

Lone working can apply to anyone. Whether someone spends all day away from the business premises or they're only alone for half an hour each day to open or lock up, it's essential to consider the health and safety of any employee who works on their own or with little close supervision.

Lone working accident claims have been on the increase in the last year, resulting in many serious injuries and fatalities. One recent incident involved a mechanic who, whilst working alone at the weekend, was found by colleagues on the Monday morning having died underneath a car when the jack failed whilst changing a wheel.

Whilst we have noticed an increase, it is important to stress that a lot are avoidable with some simple risk management measures in place.

## What are the risks?

Lone working carries risks, some of which may include:

- Lack of access to assistance in the event of emergency or accident
- Lack of supervision
- Exposure to assault
- Lack of communication
- A general lack of support.

Control measures should be in place and employers should ensure that someone always knows if employees are working outside of core hours or at weekends. Employers should also consider whether family members know work patterns for employees and who to contact if they are late. Additionally, everyone should understand the emergency procedures on site.

## Why consider lone and mobile workers?

Employers, the self-employed and contractors are responsible for risk assessments and must take into

account both normal work related risks and also any additional health and safety factors presented for those who work on their own or with little or no close supervision - during the whole of the work period or just for short periods of time.

## What key actions should be taken?

Lone and mobile working should be the subject of a recorded risk assessment in the same way as all other work-related activities. Those undertaking this require a thorough understanding of the work to be done, and consultation with workers and safety representatives is an essential element of the process.

The findings should be recorded and safe systems of work developed. Workers should be informed of the risks, and formally instructed and trained in the work and the operation of the risk control measures. Training records should be maintained and the employee's signed acknowledgement of such training recorded.

Lone workers should be made aware of their duties to cooperate and comply with the safety instructions and training they have been given, to take reasonable care of their own safety and that of others, and to report any matters requiring correction or review.

Working alone is not a risk in itself. However, if something happens which is out of the lone worker's control, such as a fall or medical emergency, there needs to be a plan in place to mitigate the danger that could arise from such a situation. Recognising that lone working exposes employees and others to certain hazards is an essential first step in protecting them.

More information on how to protect lone and mobile workers can be found at the HSE website [www.hse.gov.uk](http://www.hse.gov.uk) or on the Business Link website [www.businesslink.gov.uk](http://www.businesslink.gov.uk)

Further information on lone workers can also be found on Allianz's Risk Director at [www.riskdirector.co.uk](http://www.riskdirector.co.uk)



**For remote workers, preparation and planning is key. A few simple questions need to be answered by employees and they should ensure they have prepared for the working day ahead. For example:**

- What is my program for the day?
- Where will I be going?
- When do I have to be there?
- How long do I expect to be there?
- Which route will I take, do I have an alternative?
- Who else is aware of my plan?
- Wear appropriate clothing
- Carry sufficient money for daily needs
- Carry the means by which to contact others in an emergency, e.g. mobile phone, personal security alarm etc. Is the item charged?
- Avoid taking unnecessary risks
- Confirm appointments
- Am I comfortable in my surroundings?  
If in any doubts act upon instincts.
- If plans change, tell somebody.

**Recognise that**

- Local knowledge is a wonderful asset; so if they are in an unfamiliar area refer to a colleague for advice
- Confident people appear less vulnerable
- The unexpected will happen when people least expect it to. Anyone can pose a threat to security
- Security should be positioned as part of daily routine, not an inconvenience.

**Do**

- Take time to get to know local surroundings
- Discuss security with work colleagues
- Rehearse security procedures
- Always let someone know intentions
- Log call plan on electronic calendar accessible to colleagues
- Discuss security with spouse or partner
- Act upon instincts, avoid confrontation and take security seriously
- Report incidents
- Sign in and out at client's premises
- Report to responsible person on site.

**Do not**

- Get complacent
- Assume. Always check
- Get angry
- Take unnecessary risks
- Take short cuts to work activities
- Become a victim
- Ignore instincts
- Go to an appointment you are unhappy about.

# Workplace transport safety

With vehicles an integral part of the motor sector, a robust approach to workplace transport safety is essential. This will safeguard employees, customers and members of the public as well as protect a business from prosecution and reputational damage.

Just how large a risk vehicles present can be seen in figures from the Health and Safety Executive. These show there are more than 5,000 incidents involving workplace transport each year, with around 1% of these resulting in a fatality. Unfortunately the motor trade sector fares worse than many, with an accident rate of 1.8 fatalities compared to an average of 0.6 per year.

But these incidents can be easily avoided by incorporating workplace transport safety into risk management.

## Managing risk

The first step is to ensure that workplace transport is part of the health and safety policy and an integral part of your clients' business culture. Employees should be aware of the issues with training, information and advice and managers should be nominated to take responsibility for developing and monitoring workplace transport controls.

It's also important to ensure your clients have processes in place to record any incident and near misses involving vehicles. These should then be investigated and controls put in place to reduce the risk.

## Risk assessment

A workplace transport risk assessment is also essential. This is legally required and needs to cover all work activities that involve moving vehicles, for example, arrival and departure; movement within the workplace; loading and unloading; and vehicle maintenance work. It also needs to take into account the type of hazards that might be present, for instance collisions; who might be at risk; and what controls are already in place.

Each risk assessment also needs to be recorded, reviewed and updated when there are any significant changes.



Additional information is also available on the Royal Society for the Prevention of Accidents website at [www.rospa.com](http://www.rospa.com) or from the Health and Safety Executive at [www.hse.gov.uk](http://www.hse.gov.uk)

## Risk management system

Based on the risk assessment, your client can design a workplace transport risk management system. This should concentrate on four key areas - site, vehicles, people and use, with each having different requirements to help reduce workplace transport incidents.

### Safe site

A well-designed and maintained site makes transport accidents less likely. Routes should be as wide as possible, avoiding potential hazards such as overhead electric cables, pipes and sharp bends. They should also be well signed, with speed limits and adequate lighting. Other design features that can help to reduce accidents are one way systems to ensure reversing is kept to a minimum and barriers that keep pedestrians and vehicles separate where possible.

### Safe vehicle

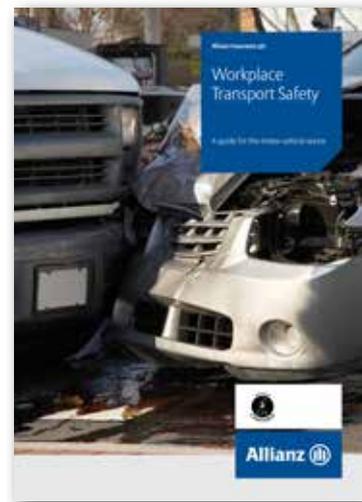
Vehicles must be suitable for the purpose for which they are provided or used, with their construction and serviceability as good as for public roads. Drivers must be able to see clearly around the vehicle, be able to prevent it from moving when necessary and be aware of any defects before they attempt to move it. In addition vehicles must be fitted with lights and a horn.

### Safe people

As human error lies behind many accidents, ensuring employees are well trained, fit to drive and aware of policies relating to driving is essential. These policies could include reporting any health problems that may affect driving; disciplinary procedures relating to driving under the influence or alcohol or drugs; and accident, hazard and fault reporting procedures. The approach to safety should also apply to people visiting the site including your clients', customers and contractors. Having procedures in place covering receiving and managing visitors can prevent them becoming a risk.

### Safe use

It's also important that your client has procedures in place to ensure the safe operation of the vehicle. This should include rules around speed limits; who drives vehicles, especially high-performance and adapted vehicles; and keeping keys secure. Reversing can be a particularly risky area, causing around 25% of all workplace vehicle related fatalities. To reduce this risk your client should limit the need for reversing through site. Where this isn't practical they should fit devices such as fixed mirrors in smaller areas, vehicle reversing alarms and warning lights and rear-view CCTV to help drivers see behind the vehicle. Establishing a robust



Visit [www.riskdirector.co.uk](http://www.riskdirector.co.uk) to download our **Workplace Transport Guide**; helping manage the risks associated with vehicle movement.

approach to managing workplace transport risk, and implementing arrangements based on a risk assessment, will help to ensure a good level of safety and prevent it contributing to the vehicle-related accident statistics.

**More information, including a risk control note on workplace transport and a motor trade vehicle risk management guide, can be found in Allianz's free online risk management service, Risk Director <https://www1.riskdirector.co.uk>**



# Using social media smartly



Whether you use it to connect with other professionals, sort out your social life or to check the latest football scores, social media websites such as Facebook, Twitter and LinkedIn have changed the way we run our lives. But, while many of us are increasingly incorporating social media into our business practices, it's important to understand the legal implications of using these sites.

## Your rights

First, there's the matter of the rights grab, which is laid out in these sites' terms of use. With this, although you post under your own name, you are actually giving them a lot more rights to use your content.

For example, when you post on Facebook, you give it the right to use any intellectual property rights in your content, including photos. Facebook can then transfer or sublicense these rights to any third party without your permission.

Further, if you share content on a public setting, Facebook can use it in any of its advertising alongside your name and photo. This content can also appear in search engine results with this extending to any 'public' information about you shared by others.

Twitter users also hand over rights relating to their tweets. This includes giving the site the right to copy, adapt or modify your content in any manner it likes as well as transfer these rights to third parties without your permission. On top of this, users also agree to remain liable and responsible for any consequences arising from use of their content, even though they have little or no control over this.

LinkedIn users grant it a perpetual right to copy, create derivative works of, improve, remove, retain and commercialise your content in any way. And, in line with the other sites, it can also assign or sublicense these rights to any third party without your permission.

It also allows other users to see your information and ideas - but does warn against posting any ideas or confidential information that you wouldn't want others to see.

The FCA's guidance consultation on social media and customer communications can be found on its website at <http://www.fca.org.uk/your-fca/documents/finalised-guidance/fg15-04>

## Social media and the FCA

As well as the broader legal obligations that should be taken into account when using social media, insurance brokers should also consider the stance of the regulator, the Financial Conduct Authority (FCA). This was set out in a session hosted by the Social Media Leadership Forum in July.

Although it was cautious about issuing any formal advice or indication of best practice, it stated that social media forms part of an overall mix of platforms - including online media, radio, printed press and outdoor advertising - where companies must ensure compliance. Any misrepresentation in these media, it said, is subject to Advertising Standards Authority regulation rather than just being an FCA concern.

But, while it is fair to say that there is some common ground with other platforms, social media does present some unique challenges. These include the speed at which content changes, the limited space constraints and the fact that customers use it differently to other forms of communication, especially when making a complaint. These points need to be taken into consideration and, to help determine its approach, the FCA has published final guidance on social media and customer communications.

The session also highlighted the cautious way in which financial services companies use social media, with many complaining that they had as many as eight layers of sign-off before they were able to post anything. Given the immediacy of social media, this is fairly unworkable and they would recommend providing employees with training to ensure they are able to use social media creatively but without overly restrictive governance.

**Social media and how it can be used within the business environment is a rapidly changing area and, as best practice evolves, we will endeavour keep you informed of your legal position.**

# Disposing of **waste contaminated rags**



**With fuel and flammable liquids the norm in many motor trade premises, the risk of fire is significant. But, as the effects of a fire can seriously affect a business and even potentially result in fatalities, ensuring appropriate risk management is in place is a must.**

A key part of this is ensuring that contaminated rags are disposed of correctly. As there is a risk that they could ignite and start a fire, placing them in a metal bin with a metal lid will help ensure that, should this happen, the resulting fire is contained and easy to control.

But, while metal bins have long been the accepted way to deal with the disposal of these items, at Allianz, we are aware that new waste disposal systems are coming onto the market.

Rather than metal bins, these new systems use plastic bins that are being sold as fire-retardant. As well as selling the bins, it's also common for the suppliers to provide a complete service proposition, removing and replacing the bins and wipes when they've been used.

Although these systems are popular in mainland Europe, and do offer convenience, there are potential issues if a motor trade business does make the switch from metal bins to plastic ones. As these plastic bins have not necessarily undergone fire testing to British standards, there is no guarantee that they will contain the ensuing fire if its contents do, for instance, spontaneously combust. In some situations it could result in the plastic bin melting and the fire taking hold throughout the building.

In addition, and depending on the policy wording, using a plastic rather than a metal bin could also have implications for a motor trader's insurance cover. Some policies will stipulate that metal bins with metal lids are used for the disposal of combustibles and, where this is the case and a plastic bin is used, it could affect a claim.

As we are seeing an increased use of these plastic bins, the topic was recently discussed at a RISCAuthority meeting. At this, insurer representatives were in general agreement that until these plastic bins gained any recognised British fire testing certification, it remained best practice to use the recommended metal bins with metal lids for the disposal of combustibles.

For more information regarding the disposal of waste contaminated rags or managing fire risk within a motor trade business, please contact Allianz's Risk Control Property Technical Lead, Steve Pike at [stephen.pike@allianz.co.uk](mailto:stephen.pike@allianz.co.uk)

Allianz's Risk Director also provides a wealth of free risk management information. Check it out at [www.riskdirector.co.uk](http://www.riskdirector.co.uk)

# Allianz Expertise

**As we continue in our efforts to ensure we share our knowledge, insights and updates with you, we want to hear what you think.**

If there is a burning question on your mind or a hot topic which you would like to learn more about, please contact us and we will share with you whatever research we have. If we need to find out more, we'll do that too. Please use our feedback link and be in with a chance of winning £200 Amazon vouchers in our free prize draw.

In the spirit of spreading knowledge, we want to remind you of our various platforms where you can access a wide array of information; from whitepapers, to presentations, infographics and survey reports.

All of which is entirely free and available for your use!

## Open knowledge

Allianz Group site where organisations, companies and individuals can share their thoughts, ideas and opinions on topics of mutual interest to the benefit of all involved.

<http://knowledge.allianz.com>

## Risk Director

Allianz expertise – Risk Director is a free online risk management service for Allianz Brokers and customers. It provides comprehensive risk management information and guidance on a broad range of topics.

[www.riskdirector.co.uk](http://www.riskdirector.co.uk)

## Ebroker

Our dedicated broker website where you can find and download policy documents, brochures and our suite of newsletters as well as information about all of our products.

[www.allianzebroker.co.uk](http://www.allianzebroker.co.uk)



AND  
FINALLY...



## Win £200 of Amazon vouchers

To be in with a chance of winning, all we want is your feedback. Please [click here](#) to give your views on this edition of Allianz Commercial's Motor Trade and Fleet Newsletter, ideas for future articles and topics you would like to be covered in our Breakfast Clubs.

As a thank you, we will automatically enter you into our free prize draw. For full terms and conditions, [click here](#).

Closing date is 11am on Friday 17 April 2015 and only one entry may be made per person. One winner will be chosen at random from all entries received and the winner will be notified by email on the closing date.

### Past winners

Our previous edition winner of £200 House of Fraser vouchers:  
**Rob Pountney, Murton Alexander Insurance Services Ltd**

**"Nice surprise to have the phone call to confirm that I was the winner – new coffee machine on its way!"**

ACOM6502 03.15