

Important changes to your Motor wording

This brief leaflet is designed to give you an overview of the new Competitions and Markets Authority (CMA) Order that has affected Private Motor Insurance and the relevant subsequent changes applied to your Motor wording.

Competitions and Markets Authority (CMA) Order:

In 2012 the Office of Fair Trading tasked the Competition Commission (now CMA) with reviewing the private motor insurance market (PMI) including the supply of insurance goods and services to consumers so as to consider any updates in legislation that may be required.

In March 2015, following a period of investigation, the CMA published an Order which identified 'No Claims Discount Protection' as a topic that consumers often find confusing and which therefore requires further clarification at point of sale.

The Order applies to all private motor cars insured by individuals and which are primarily used for Social Domestic and Pleasure purposes except for motorcycles and commercial vehicles.

The Order, which came into effect on the 1st August 2016, contained practical guidance for insurers on what 'No Claims Discount Protection' information to give to customers who buy private car insurance whenever a 'No Claim Discount Protection' option is available, offered, added or removed as an add-on product.

Changes to your Motor Wording

Please read this information carefully as it relates to changes in your insurance policy wording. More information on changes to your Motor wording can be provided by your insurance underwriter or adviser.

Section 6 No Claims Discount:

This Section has been updated to include information as set out in the CMA Order.

Section 7 Protected No Claims Discount:

This Section has been amended to include statements set out in the CMA Order and the below information has also been added:

- 1- A table setting out the cost of the No Claims Discount Protection.
- 2- The average No Claim Bonus percentage discount scale awarded to customers last year (this will be updated by us each February with new figures as they change to reflect the average in the next period).
- 3- That premiums may still increase even having purchased NCD protection.
- 4- Tables showing in a scale the effect of making one or more claims on your NCD in both scenarios of with and without NCD Protection.

We hope you found this brief introduction useful and please do not hesitate to contact your insurance underwriter or adviser for any additional queries you may have.