

# Personal Injury

Motor Insurers' Bureau



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The Motor Insurers' Bureau was established on the 17 June 1946 as a private company limited by guarantee. Its raison d'être is to compensate the innocent victims of negligent uninsured or untraced motorists.

Every insurer underwriting compulsory motor insurance is obliged by virtue of the Road Traffic Act 1988 to be a member and to contribute to its funding. This funding has a dual purpose; firstly, to further the MIB's objectives; secondly, to satisfy unsatisfied judgments in favour of victims without profit for its members. The MIB's funding is obtained from levies charged to their insurer members. Effectively, insured motorists meet the costs of uninsured motorist's accidents, it works out that about £35.00 of every motor insurance policy sold goes to the MIB.

The Motor Insurers' Bureau operates two distinct agreements, the Uninsured Drivers Agreement and the Untraced drivers agreement. In addition the MIB has responsibility for maintaining the Motor Insurers' Information Centre.

## The Uninsured Drivers Agreement

The latest agreement came into force on the 1st October 1999 and covers all relevant accidents that occurred on or after that date. This is the latest in a whole series of agreements. It should be noted that the MIB's obligations must now be compatible with the second EC Motor Insurance Directive 84/5.

The agreement enables the victims of uninsured drivers to be compensated as though the uninsured driver had insurance. The difference is that the MIB will not pay the first £300 of any property damage claim.

## Limitations on the MIB's obligations (uninsured)

There are a number of exceptions where the MIB does not have to meet judgments, these are:-

1. Crown Vehicles
2. Vehicles that do not need compulsory insurance e.g. bicycle or motorized wheelchairs
3. Where the claimant's vehicle does not have any insurance
4. If the claim arises from a vehicle that was stolen, being

used in furtherance of a crime, being used in an escape from a crime, and the claimant knew or ought to have known of the fact

5. Where a passenger knew there was no valid insurance in place.

6. Where a passenger consents to being in car when they know that the driver is uninsured.

Passengers in uninsured vehicle can recover compensation but if it can be shown that they knew or ought to have known that the driver was uninsured then any claim will fail.

The 1999 agreement also creates a number of notice obligations on the claimant and his solicitor. There are strict time limits for the claimant to notify the MIB of the issue of proceedings, the service of proceedings and the planned entry of judgment if these are not complied with then again the MIB refuse to meet any judgment. Otherwise the claim proceeds as if the driver had insurance.

## Untraced Driver's Agreement

A new agreement came into place on 14 February 2003. The agreement enables innocent victims of untraced or unidentified drivers/vehicles to be compensated. The applicant must have been killed or suffered bodily injury or damage to property and it has not been possible to identify the person liable.

## Time limits (untraced)

A claim must be brought within

1. Three years from the date of the accident if bodily injury only occurred.
2. 9 months if a claim for property damage is being made, with or without an injury claim.

To succeed the applicant must report the incident to the police

1. Within fourteen days of death or injury
2. Within five days if there is a claim for property damage whether or not there is a claim for death or bodily injury

The applicant must also co-operate with the police investigation.

## Exceptions

1. A claim for property damage only arising from use of an unidentifiable car
2. Where vehicle causing damage was owned by the crown
3. Where the injured person allowed them to be voluntarily carried in the responsible vehicle where he knew or ought to have known the vehicle was stole, being used without insurance, used in the furtherance of a crime.

Damages should be awarded in line with the damages a victim would be likely to receive in court and there is a rather convoluted appeals process firstly in writing and then if the does not succeed a oral hearing can be requested.

## Motor Insurers' Information Centre

The Motor Insurers Information Centre is the name of the database that is held by the Motor Insurers' Bureau. It contains details of all policies of insurance that have been incepted in the United Kingdom since 1st January 2001.

Each insurance company is responsible for updating the database every time it sells a new policy of insurance. For fleet rated policies the database must be updated by the fleet administrator.

Access to the database was initially restricted to the MIB and its members, however since late 2003 solicitors have been allowed access providing they register with the with the Motor Insurers Information Centre and meet their criteria.

## Conclusion

Any claim involving the motor insurers bureau can make the most straightforward matter into a potential minefield that can be successfully negotiated with the assistance of experienced qualified legal advice.

## Contact us

If you would like to speak directly to a solicitor for specialist advice please contact us.

This note is for general guidance only. Please contact us for detailed advice.



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