

## Clamping down on the menace of uninsured drivers Report by Karl M<sup>c</sup>Cartney MP



### (1) Foreword

It can often be the issues that never make the front pages, or receive little if any attention, that can irritate people the most and undermine and shake people's belief in the rule of law and a responsible society. Normally, it is because people have done the right thing yet their fellow citizens who have purposely done the wrong thing somehow 'get away with it' and the law-abiding are left to pay the penalty. The consequences and incidence of uninsured drivers is one such issue.

One of the reasons I chose to follow the tortuous route to stand to be a Member of Parliament, was to take up these types of issues. One of the issues I have chosen is the need for far harsher penalties for uninsured drivers and other people who, aided and abetted by the 'claims' industry, lie about the extent of injuries caused to them by being involved in accidents they are in, and in some cases willfully manufacture the circumstances in which accidents occur.

This is not just because of what my constituents or friends and family tell me, it is also because of what I have seen with my own eyes. As a Magistrate, our hands have been for some time tied by rules and 'ringfencing' on the level of fines and type of sentences you can impose for the same old faces that come before you, including those involved in uninsured driving, often without tax and MOT's for their vehicles too. It is also a proven fact that many of those convicted of vehicle crime are also involved in other lawbreaking activities too.

My family and I have also been a victim of three car insurance scams. Once my wife was hit by a car going through a red light at a crossroads and after the driver checked my

wife was OK, he ran off, leaving her with the bill, and the fact that if she had pulled away quicker having not taken time to apply and then release her handbrake, she might not be still with us.

Another occasion one of our Triumph Spitfires was crashed into by a car that pulled out without looking and the driver refused to pay anything as he was uninsured. Kent police on both occasions were uninterested in investigating or taking further to prosecution these clean cut cases.

Last year, a car stopped suddenly, for no apparent reason, in front of me on a roundabout, and I bumped into the back, damaging their bumper. No one was hurt, at all, in fact the airbags in the modern BMW I was driving were not deployed, and as the insurance process took place, a claim was eventually made for £16,500 including for the loss of earnings of one of the occupants who was supposed to have had whiplash, similarly to the other two occupants. They even claimed a £1,000 recovery charge even though they drove away, along with *'improving'* the damage to the rear of their car before taking pictures as part of their claim. The court eventually threw the claim out as we refused to let our insurers pay this vastly inflated claim, and afterwards it was revealed these scammers had tried it on, successfully, six times in the last five years from the same registered address of the vehicle. They are probably trying it on again as I write, unpunished.

Not only do these examples increase the insurance premiums of law abiding insured drivers, but we also as taxpayers are being fleeced a second time as our courts have now seen similar cases taking up large amounts of court time whereas 10-12 years ago this was not the case.

To see whether my views were in tune with others - that there is an appalling lack of appropriate punishments against uninsured drivers and accident scammers, I conducted an online survey on what the views were of predominantly local people on uninsured drivers, especially bearing in mind the average fine in 2010 was £213<sup>1</sup> (a reduction from £233 in 2008) in the county of Lincolnshire for driving whilst uninsured. I was not surprised to find that the vast majority felt the fine was too low.

And you can see why. The average comprehensive premium for the Lincoln postcode was £603<sup>2</sup> at the end of September 2011. It shows you have to be caught 2.8 times or more in a year for it to be more expensive than to drive without insurance. However, insurance is about risk and age and these key factors also matter. For example, the estimated<sup>3</sup> cost for comprehensive insurance for a male in Lincoln aged between 17-20 is £2,733, £1,338 for a 21-25 year old and £765 for 25-30 year old. It means anyone from those age groups caught driving uninsured have to be fined 12.8, 6.5 and 3.6 times per year before the fine exceeds the insurance. For many that is at an attractive risk. The "getting away with it factor" is too low.

There have been many welcome changes recently - a fall in the number of people driving while uninsured - falling 25% in the last five years; the clampdown on people owning uninsured cars and also the coming prevention of insurance companies selling on personal data which has fuelled scamming. However, more needs to be done. The survey I conducted through my website shows the vast majority of local people who responded think so too. However, I suspect much of the insurance industry claimed fall in uninsured driving has come in London where of course there is a proliferation of number plate recognising cameras, but across the country the frightening statistic is still in force - that whilst driving on UK roads perhaps every twelfth car you drive past has an uninsured driver at the wheel.

Taking my views and the view of my constituents into account, my ten point plan to clamp down further on the scourge of uninsured driving and phoney claims are:

- (1) As part of the need for a far more 'zero tolerance' attitude to be taken against supposed low level crimes, driving without insurance to be treated as a higher priority by the police than before.
- (2) An insurance sticker in every windscreen that proves a car is insured, just like the current tax disc.
- (3) Far tougher sentences for those caught driving uninsured, with the minimum fine in each area being the double the average insurance cost in that area for the age and gender of the person caught.
- (4) If someone is caught and prosecuted for driving uninsured, they should automatically lose their driving licence for a set period, perhaps at least one year, certainly for a second offence and perhaps longer, five years, for subsequent offences.
- (5) If someone is caught and prosecuted for driving uninsured for at least the third time, they should perhaps go to prison, and a lifetime driving ban.
- (6) If someone causes a serious accident while driving uninsured, they should go to prison.
- (7) Juries and magistrates to be made aware of whether false vehicle insurance claims had been made by those making a subsequent vehicle insurance claim which has reached the court.
- (8) Those making false insurance vehicle claims that reach the courts to be prosecuted and actively pursued by the relevant police force.
- (9) The names and addresses of those prosecuted for driving uninsured to be published.
- (10) Supporting both the clampdown on insurers being able to trade personal data of those involved in accidents and regulating the monopoly and sharp practices currently engaged in by insurers and the legal profession that see the motorist paying through insurance premiums and general taxation for their unwillingness to stamp out fraudulent and speculative claims such as personal injury and hire car charges.

These are just the start and through my time in Parliament I am going to continue to campaign for justice for the insured drivers of our country, and heavier punishments for the uninsured. The law-abiding majority must always come first.

I am also wary of the claims made by insurance companies and their insurance bodies and organisations along with some areas of our legal system, the legal firms and operators in this field – that they are doing their best to reduce uninsured driving and scamming claims. They are patently not doing what they claim to be – they are complicit and implicit in passing on the fraudulent claim costs and the £400-500m pa that the Motor Insurers' Bureau fund pays out to insured drivers involved in accidents with uninsured drivers. They do not mind what our premiums are as we have to pay the figures they quote. They have a monopoly and I hope my Honourable elected colleagues in Government, and those Honourable members of our judiciary and legal system will actively seek to reduce the financial burden on law-abiding drivers and particularly new and young drivers at what should be an exciting time of being able to have some independence and driving legally on our country's roads.

***Karl M<sup>c</sup>Cartney JP MP***

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## **(2) Research**

A three-week survey was placed on my website for three weeks (02 September to 22 September). The research conducted through Survey Monkey attracted over 100 respondents and the results are set out below. The figure of £233 was used as that was the latest information known, but as revealed in a Parliamentary question – the latest figure (2010) is even lower (£213).

**Table 1: What are your views on the average fine?**

	The average fine for someone driving in Lincolnshire without being insured was £233 in 2008 (the last figures available), do you think this is:
Far too high	1%
Too high	0%
About right	9%
Too low	25%
Far too low	65%

**Table 2: What should the average fine be?**

	If you feel the average fine of £233 was too low or far too low, what do you think the average fine should be
£300-£500	4%
£501-£700	18%
£701-£900	13%
£901-£1,100	18%
£1,100	37%

**Table 3: Should people automatically lose their licence?**

	If someone is caught and prosecuted for driving uninsured, should they automatically lose their driving licence for at least one year
Yes	74%
No	20%
Don't know	6%

**Table 4: Three strikes and you are out?**

	If someone is caught and prosecuted for driving uninsured for at least the third time, do you think they should go to prison.
Yes	63%
No	27%
Don't know	10%

**Table 5: Prison for causing serious accidents?**

	If someone causes a serious accident while driving uninsured, do you think they should go to prison?
Yes	77%
No	15%
Don't know	8%

**Table 6: Have you been a victim?**

	Have you been a victim of a car accident where the driver causing the accident was uninsured
Yes	11%
No	87%
Don't know	2%

**Table 7: Have you been scammed?**

	Have you been a victim of a car accident where the driver causing the accident was uninsured
Yes	5%
No	93%
Don't know	2%

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### **(3) The “getting away with it factor” and the ten point plan**

Finding out what people's views are one thing, but then acting upon your own and taking into account the views of others is more important.

When comparing the average fine and the average cost of insurance, there is a clear disconnect. The punishment for being caught is far too low compared with the costs of

insurance. It is simply not acceptable that the average fine of £213 is nearly three times lower than playing by the rules. This clear mismatch plays into the hands of those who wish to drive uninsured.

The table below sets out the estimated cost of insurance in Lincoln per age group and gender. It also sets out the “Getting away with it factor” based on the number of times an uninsured driver has to pay a fine per year before the annual cost of the insurance is met. The figures, especially for those who are younger are quite appalling and no wonder that one in three people who drive uninsured are under 30. The higher the factor the more attractive it is to drive uninsured. This has to change.

**Table 8: Car insurance costs in Lincoln (£) and ‘Getting away with it index’**

**Lincoln<sup>3</sup>**

Age	Male	Getting away with it index*	Female	Getting away with it index*
17-20	2733	12.8	1491	7
21-25	1338	6.3	845	4
26-30	765	3.6	553	2.6
31-25	578	2.7	417	2
36-40	490	2.3	397	1.9
41-45	500	2.3	489	2.3
46-50	630	3	521	2.4
51-55	516	2.4	459	2.2
56-60	412	1.9	292	1.4
61-65	323	1.5	230	1.1
66-70	331	1.6	261	1.2
70+	304	1.4	270	1.3

*\*\*“Getting away with it factor” based on estimated average comprehensive insurance costs divided by average fine (£213)*

Taking into account the appalling risk factors - where the higher the figure, the more advantageous it is to drive uninsured – it is clear that more needs to be done to rebalance the justice system in favour of those of uphold the law, not those who break the law.

It is important to make it easier for more people to be caught which means the police taking the crime far more seriously than before and the insurance disc solution will make it easier to enforce. Those who drive uninsured are likely to be involved in other crimes and are likely to generally be those who pay little regard to the concerns other law abiding and the rules of British society. The increased chances of being caught will have a knock on effect for other crimes.

The insurance disc idea should be easy to run through the insurance companies or through collaboration with the Motor Insurers' Bureau. Other countries around the world manage it. The insurance industry may complain about extra paperwork but this would it a reduction in the long-term cost of insurance which benefits drivers.

The following two points will therefore help:

- (1) As part of the need for a far more 'zero tolerance' attitude to be taken against supposed low level crimes, driving without insurance to be treated as a higher priority by the police than before.
- (2) An insurance sticker, perhaps colour coded, in every windscreen that proves a car is insured, just like the tax disc.

Making it easier to be caught is one thing but these must be matched with far tougher punishments. The points below set out a programme of get tough measures that show the law abiding and the courts will no longer tolerate this law breaking.

- (3) Far tougher sentences for those caught driving uninsured, with the minimum fine in each area being the double the average insurance cost in that area for the age and gender of the person caught.
- (4) If someone is caught and prosecuted for driving uninsured, they should automatically lose their driving licence for at least one year, certainly for a second offence, and possibly for 5 years for subsequent offences.
- (5) If someone is caught and prosecuted for driving uninsured for at least the third time, they should perhaps go to prison, and incur a lifetime driving ban.
- (6) If someone causes a serious accident whilst driving uninsured, they should go to prison.
- (7) Juries and magistrates to be made aware of whether false vehicle insurance claims had been made by those making a subsequent vehicle insurance claim which has reached the court.
- (8) Those making false insurance vehicle claims that reach the courts to be prosecuted and actively pursued by the relevant police force.
- (9) The names and addresses of those prosecuted for driving uninsured to be published.

The last point in the ten point plan is to show support for the crackdown on the insurance companies and other agencies and organisations selling personal data of those who

have been involved in crashes which then feeds through to unscrupulous claims companies who encourage some people to make false or exaggerated claims – a form of law breaking in itself.

- (10) Supporting both the clampdown on insurers being able to trade personal data of those involved in accidents and regulating the monopoly and sharp practices currently engaged in by insurers and the legal profession that see the motorist paying through insurance premiums and general taxation for their unwillingness to stamp out fraudulent and speculative claims such as personal injury and hire car charges.

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#### **(4) Conclusion**

The points put forward here are based on the views of the law-abiding respondents locally and those views I have always had that the law-abiding majority come first, the criminal a long way last.

This irritating issue where those who break the law do so, knowing the penalties for being caught are minor compared to the cost of complying with the law. This is a situation that has to be rectified, to make sure the law is on the side of those who uphold it and not on the side of those who break it. Tackling uninsured drivers will be a good step in the right direction.

Any help to reduce the cost of insurance premiums for the law-abiding 32million+ drivers in our country has to be a good thing. Ensuring a true competitive insurance industry can also only help drivers – especially if moves are made to ensure it isn't viewed any longer as a 'ripoff' for the motorist – 'highway robbery' as some have termed the recent 40% rises in premiums. Perhaps regulating and removing the absolute monopoly will help eradicate the practice of uninsured driving on our roads.

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**Thank you to Confused.Com and Towers Watson for providing figures on the cost of car insurance in the East Midlands and Lincoln**

## Sources

<sup>1</sup> Average fine for driving a vehicle while uninsured in Lincolnshire in 2010 is £213

<http://www.theyworkforyou.com/wrans/?id=2011-10-31a.77552.h&s=Karl+McCartney#g77552.q0>

Average fine for driving a vehicle while uninsured in Lincolnshire in 2008 is £233

<http://www.publications.parliament.uk/pa/cm200910/cmhansrd/cm100202/text/100202w0022.htm>

<sup>2</sup> Figures from Conused.com/Towers Watson Car Insurance Premium Index:

<http://www.confused.com/car-insurance/price-index>

<sup>3</sup> Estimated car insurance costs in Lincoln were based on calculating the average cost per age and gender in the East Midlands (average cost £792) and applying this to the average cost of insurance in Lincoln (£603)