

## Welcome...

To our Newsletter. If there are any issues raised in this issue that you would like further information on, please don't hesitate to contact us on 03453 304 305 or [enquiries@prioryinsurance.co.uk](mailto:enquiries@prioryinsurance.co.uk)

## Government clamps down on dangerous driving

New rules introduced over the last few years mean companies could be held responsible for injuries and damage caused by their employees while driving a company car.

Although technology is making cars safer, the number of accidents still remains high. Department of Transport figures show that in 2012 there were 195,723 casualties in road accidents including 1,754 people killed.

Accident rates are particularly high among drivers using their car for work purposes. Company drivers are 40-50% more likely to have a collision than the average driver. Additionally, between 500 and 1,000 people die annually in collisions involving vehicles being driven for work purposes.

Without taking the necessary risk management steps, employers could find themselves facing serious charges including corporate manslaughter. In addition, the reputational damage caused by bad driving on behalf of your employees can harm your business.

To find out more about your options, including coverage for mis-fuelling, please contact us.



# Government Launches Review of Employment Tribunal Fees

Almost two years after their introduction, the government is reviewing the impact employment tribunal fees are having.

The original object of the fees was to transfer the cost from the taxpayer onto those who use the service – as long as they can afford to do so. The government also hoped to encourage the use of alternative and less expensive dispute resolution services such as ACAS conciliation and improve the overall efficiency and effectiveness of the tribunal.

The review was part of a commitment made when the fees were introduced in July 2013. It will assess how effectively the fees have worked and if they have achieved their main objective of reducing cost while maintaining access to the legal system.

The review is expected to be completed later in 2015. However, hanging over the entire process is UNISON's ongoing judicial review challenge to employment tribunal fees which could yet change the landscape.



# Government Raises the Bar for Bankruptcy Petitions

From October 1st 2015 the minimum level above which a creditor can petition for a debtor's bankruptcy will rise to £5,000 from £750.

The government hopes the new rules will prevent creditors using the threat of bankruptcy as a debt collection tactic for small debts. The immediate effect is most likely to be an increase in the number of debtors issuing statutory demands for small debts before the new rules come into effect in October. Equally, there may also be an increase in the number of debtors petitioning for their own bankruptcy or seeking debt relief orders for debts smaller than £5,000.

Any creditor who is owed less than £5,000 will have to act quickly. The new threshold only applies to bankruptcy petitions issued after October 1st and not any preceding documentation. So, if a demand is issued before October a following petition could not then be presented after the deadline as the new rules will have kicked in.

# End of the Line for Driving License Counterpart

The driving license counterpart is dead. As of the beginning of June, the DVLA announced that the paper counterpart of your license is no longer valid. These were initially issued to display information which could not be shown on the photo ID card, such as penalty points and the categories of cars you are permitted to drive.

To replace the paper counterpart, all the information it used to display can now be viewed online. You can view all your details online at [www.gov.uk/view-driving-licence](http://www.gov.uk/view-driving-licence), while you can use this link to confirm your details to your employer.

If you have a photocard, the paper part of your license is no longer legally valid and should be destroyed. Holders of the old paper-only driving licenses will not be affected. Their licenses will remain valid until they decide to update or replace their license in which case the DVLA will issue a photocard only. The changes also do not apply to holders of photocard licenses issued by the DVA in Northern Ireland.

# The Rise of Telematics



**High fuel costs and insurance premiums represent a major drag on businesses which use fleet vehicles. However, they are managing to reduce these thanks to the increased use of telematics in vehicles.**

Telematics is a system which traces the movements of a car. It provides an unequivocal view of a driver's skills and is becoming a popular tool for insurers. By having their driving monitored, drivers can demonstrate their safe driving and secure a discount on their premiums. As the technology reaches maturity, the number of devices on the roads is booming. According to ABI research the number of telematics vehicles will reach 89 million worldwide by 2017, up from 1.85 million in 2010. Increasingly, businesses are beginning to see a number of key benefits from their use.

## Road safety

The primary consideration is obviously safety. Telematics data provides a clear overview of driving performance. It can highlight instances of harsh braking, speeding or excessive braking and enable drivers to assess and analyse their own driving performance. In essence it can be used in the same way that racing drivers use their own telemetry – to improve their driving skills.

By using the data, companies will be able to identify their best drivers and incentivise accordingly. Bad drivers, can be shown the ways in which they need to improve. Indeed, just the fact of having driving monitored tends to result in better behaviour. Even when accidents do occur, some telematics systems are able to provide information about the circumstances of the accident which can help businesses ensure it doesn't happen again.

## Business efficiencies

While safety is obviously the number one priority, there are a number of efficiency gains. Telematics provide business owners with a clear view of where their drivers are at any one time. This can help them add efficiencies and reduce fuel consumption. For example, if a job comes up, operators will be able to see instantly which driver is closest and direct them accordingly.

Driver data can also be used to address wasteful driving behaviour. By identifying instances of idling or revving, companies can encourage more efficient driving practices. These will be incremental gains, but taken over the entirety of the company and of the course of a year these can add up to significant savings. Gains in fuel efficiency and monitoring will also help businesses improve their green credentials and regulatory compliance. The government is looking to reduce carbon emission by 80% on 1990 levels before 2050 and motor fleets have a significant role to play in this. Business owners will be able to manage fuel consumption and make their overall operations greener and more efficient.

## Insurance

Finally, Telematics play a key role in reducing insurance premiums. By demonstrating a track record for safe and responsible driving, companies will be able to secure discounts on their premiums. This data also comes into use when defending a company against insurance claims. This will provide more evidence about the circumstances of an accident which will be useful in apportioning blame after an incident. By managing risk and using their telematics in a proactive manner, companies can reduce their insurance costs.

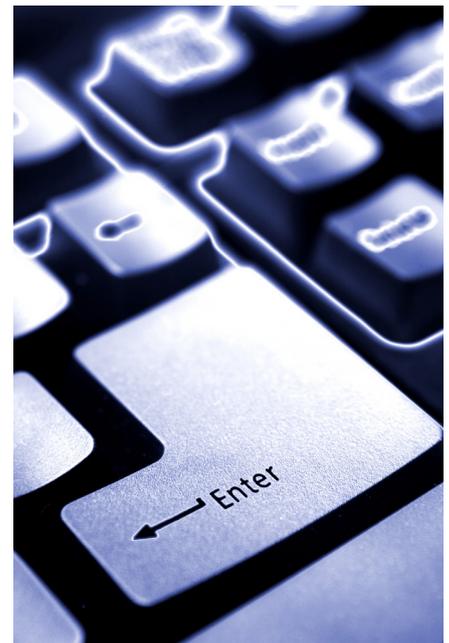
Please contact us, if you have any questions regarding Telematics.

# Report Casts Doubt on Cyber Security of Businesses

Businesses are failing to protect themselves and their customers from the threat of cyber attacks, according to a new report.

The study, published by Marsh, found that nearly 70% of respondents from large and medium-sized corporations across the UK do not assess either the suppliers or customers for cyber risk. Most had not been asked to demonstrate competent IT security practices by customers or banks and only 11% have a cyber-insurance package in place. Cyber security remains a relatively minor priority with ownership still residing in most cases with the IT department rather than at board level.

“Cyber risk management should be at the heart of the strategic decision-making process,” says Stephen Wares, Marsh’s cyber risk practice leader for EMEA. “Only with board-level support can companies take the big strides needed to advance their knowledge and perform the financial modelling required.”



## New Rules Aim to Close the GAP

New rules introduced by the Financial Conduct Authority (FCA) are set to change the way Guaranteed Asset Protection is promoted alongside the sale of a motor car.

The rules dictate that dealers and other distributors will no longer be able to sell add-on insurance on the same day as the car has been sold. In addition dealers will have to provide customers with information to help them shop around.

An FCA market study found that buyers of add-on insurance were less likely to shop around and more likely to exhibit poor awareness about the product they are buying. The FCA says it hopes the changes will “see better customer outcomes from more informed purchasing decisions and improved competition between add-on and standalone distribution channels as a result of these measures.”

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