

Plan Insurance Brokers ~ **Press Release** Jan 2016

Insurance Fraud next on TfL’s List

**Fresh from issuing their private hire regulations consultation TfL have begun discussions with key industry insiders to tackle the issue of insurance fraud committed by private hire drivers.**

**UBER**
Private hire (PH) regulation has received greater scrutiny in the last 18 months due the emergence of taxi booking apps such as Uber that has seen driver numbers increase by 62% since 2010. Existing systems for detection can no longer cope with the volume of drivers.

**BLACK CAB DRIVERS**
Have staged demonstrations due to what they deem to be a “soft touch” approach to the enforcement of regulations on these companies by TFL.

Together with the *GMB Union Professional Drivers’ Branch* and *Plan Insurance Brokers,* TfL have begun the process of consulting on a means of ridding the UK’s roads of uninsured PH drivers

 **Why is action needed?**There are over 300,000 drivers licensed to carry passengers on the U.K.’s roads. MD of *TfL* Leon Daniels described the current means of detecting drivers without suitable insurance as a “laborious, hopeless manual system.”

It’s important for the general public that PH drivers have appropriate insurance cover due to: ***Safety Concerns - Delayed Compensation Payments - Higher Motor Insurance Premiums***

*TIC* will help avoid:

* Members of the general public being driven in uninsured vehicles
* General motor insurance premiums rising to subsidise claims of fraudulent PH drivers
* Licensed PH drivers not being “fit and proper” persons
* Illegal touts targeting venerable passengers

**What is being proposed?** Plan Insurance Brokers have outlined plans for an online portal with the working title *Taxi Insurance Checker* (TIC.)

*TIC* will be similar in concept to the *Motor Insurance Database*, which has significantly reduced the number of uninsured drivers on the UK’s roads. Crucially *TIC* will provide authorities access to live information regarding the validity of PH driver’s policies and whether it provides cover for carrying passengers for the purposes of “Hire & Reward.”

**How are uninsured public & private hire drivers evading existing systems of detection?**

***Presenting False Insurance Documents*** *–* either doctored or duplicated documentation is supplied when applying for a PH licence.

***Operating with Expired, Cancelled or Invalid Cover*** - To avoid their vehicle showing up on the police’s ANPR (Automatic Number Plate Recognition) checks as unregistered on the MID (Motor Insurance Database) drivers take out cheaper private car insurance that does not provide cover to drive passengers for the purposes of “Hire and Reward.”

***Using Identity mirroring” scams***– multiple drivers may be operating under one licence using one vehicle

 **QUOTES**

*“[Is there] some way of knowing that every single person driving a private hire vehicle has the appropriate insurance?” She highlighted concerns about, “A feeling out there, which may be absolutely valid, that we are not talking about a level playing field?”*MP Victoria Borthwick, in June 2015, voicing concerns at a *Greater London Assembly* meeting that drivers operating for firms such as *Uber* are able to side step what should be stringent regulatory requirements

*“Laborious, hopeless manual system with a poor trust factor due to low levels of accuracy.” “The paper trail to follow those is quite difficult” due to “Contradictory answers from the same insurance company on the same day.”*
Leon Daniels, Managing Director, *Transport for London* replying to the MP’s questioning regarding TfL’s ability to check the validity of insurance for PH road users.

*“We’ve been lobbying TfL for sometime on the issue of drivers operating with invalid insurance and invited Plan Insurance Brokers to join a consultation due to their forward thinking approach to technology.”
Steve Garelick Head of* *GMB Union Professional Drivers’ Branch*

*“If implemented, we believe the plans being discussed will significantly reduce the number of taxi and private hire drivers able to perpetrate insurance fraud, whilst at the same time also improving safety and offering peace of mind to passengers and authorities alike.”*Ryan Georgiades, Managing Director, *Plan Insurance Brokers*

**KEY STATS**

* 300,000 licenced vehicles on the road
* PH driver numbers in London have surged from 59,000 to 95,000 since 2010
* 389 Licencing Council Authorities
* In 2011 the Metropolitan Police estimated that in London alone 1,125 incidents of sexual assault had been committed by private hire touts

*All insurers offering private hire insurance will need to be registered on a database as approved suppliers. The Association of British Insurers have been invited to join the process as have The Insurance Fraud Bureau and the Met Police.*

**ABOUT PLAN**

[Plan Insurance Brokers](http://www.planinsurance.co.uk) are market leading public and private hire insurance specialists with over 25 years experience.