

INSURANCE MATTERS

Spring/
Summer
2011

RISE IN MOTORCYCLE PILLION CLAIMS

Motorcycle accident claims are on the rise. Over the five years to 2010, a leading insurer noted an alarming 57% increase in the number of bodily injury claims made against motorcyclists, with motorcycle claims costs increasing by 51% over the same period. The insurer's statistics indicate that the rise in claims may be a consequence of more riders carrying pillion passengers.

The rising cost of fuel and road congestion may be encouraging increased use of motorcycles over cars. Now the warm weather is here, even more motorcyclists may take to the roads with friends and family. Commuters who usually ride motorcycles alone will not be used to carrying passengers; this affects the way a bike handles in relation to stopping distance, cornering and steering. Therefore, if you are not completely confident carrying a passenger, ensure you seek expert training before doing so. Some other simple precautions are to ensure:

- Your passenger has a British Standards approved crash helmet and that they are wearing the correct attire.
- Your bike is adjusted to accommodate a passenger, this should include suspension, tyre pressure and mirrors.
- Your passenger takes up the correct position on the bike; acting as a neutral load, not compromising your balance.

For more information about motorcycle training and safety please visit www.bikesafe.co.uk and www.roadsafetygb.org.uk.

All statistics supplied by Aviva



More pillion passengers are a contributing factor to a 57% increase in bodily injury claims against motorcyclists.

**INSURANCE
COSTS HIT
BY ECJ
RULING**



This March the European Court of Justice ruled that insurers can not charge different premiums because of a person's gender as this action would constitute discrimination.

Even though women are statistically less likely to make a car insurance claim, they can no longer be charged lower car insurance premiums than men. This ruling throws out the risk-based pricing model that U.K. insurers typically use to provide discounts to groups that are statistically lower risk. Insurers may now choose to look at additional ratings factors such as placing more weight on the type of car being driven and the likelihood of it being involved in a claim.

Some commentators have claimed that after these changes are implemented women under 25 years old could see car insurance rates rise by up to 25%.

Insurers have long fought against this ruling which was initially brought to court following a challenge by Belgian consumer group Test-Achats.

The ruling comes into effect on 21 December, 2012 giving Governments and insurers time to adjust, although it is possible consumers will see the change in premiums before this date.

GARDEN DANGERS



The flowers are blooming, the birds are singing and your garden is calling you. But beware, your peaceful retreat may be full of hidden dangers.

Here is a reminder of some simple garden safety precautions:

- Ensure all small cutting tools and garden chemicals are out of reach on the top shelves in the shed.
- Be overly cautious with all electrical cutting and trimming equipment; ensure you unplug tools if they are left unattended, even for a few minutes.
- Don't use electrical extensions when the weather or grass is damp. Electrocutation or electric shocks are a risk. In addition, ensure you use a residual current device (RCD) when operating electrically powered tools.
- Wear the correct eye and ear protection and protective clothing when using equipment, including rubber-soled shoes with closed toes when mowing.
- Keep small children away from ponds and water features. Drowning can be a risk even in shallow water.
- Only treat your plants with spray products on days when there is no wind.
- Keep children away from poisonous plants – these include, but are not limited to, foxglove, holly and rhododendron.

More information on home and garden safety can be found at www.rospa.co.uk.

FAST, FAIR AND FUSS-FREE CLAIMS

Not all household insurance policies offer the same level of cover, they are designed to fill different insurance needs. In particular, there are policies available for those who have accumulated value in their home, its interior decorations and possessions and want to ensure they are covered should the worst happen.

Here are two examples of claims on premium household policies showing the broader cover offered:

Burst Boiler Bills

A burst boiler caused significant water damage to a kitchen floor and the floor level kitchen cupboards. The kitchen was open plan with an adjoining dining area and playroom. The same walnut wood floor was laid throughout. Although the water had only damaged the floor in the kitchen area, it was impossible to match the new floor to the remaining walnut floor.

Recognising that this was not acceptable aesthetically, the insurer offered to replace the walnut floor in all three rooms. So, in addition to replacing the cupboards, the insurer paid a total of £16,000 to replace the whole floor. Some standard policies would have paid only to replace the floor in the kitchen area. This would leave the client either with a mis-matched floor or out-of-pocket by about £10,800 if he'd chosen to replace the whole floor himself.

Wet Watch

A policyholder lost a vintage Rolex while sailing in a water park. The watch was of huge sentimental value as it belonged to his father. Understanding this, the insurer offered to send out a diver to see if it could be located. Luckily, visibility was good and the watch was found.

If it had not been recovered, the insurer would have paid the Agreed Value of £35,000 with no deduction – letting the watch be replaced, or not, as the policyholder wished. With a standard policy there may have been no attempt to recover the watch, despite its sentimental value. Instead, the insurer may have simply offered the trade price of around £28,000, less any excess. A difference of over £7,000.

Not all policies are the same, we are here to help you find the one that best fits your needs at the right price. To review your requirements, please contact us.

Claims examples provided by Chubb 2010

"IT'S MY WIFE'S FAULT"

Insurance is designed to cover you in the event of an accident, some accidents are more unexpected than others. Here are a couple from the Aviva Claims Team:

A customer was driving along when 'a frozen squirrel fell out of a tree and crashed through the windscreen'.

A gentleman reversed out of his garage straight into a wall but failed to accept it as a fault claim – he insisted it was his wife's fault as she had parked the car.