

INSURANCE MATTERS Autumn/ Winter 2011

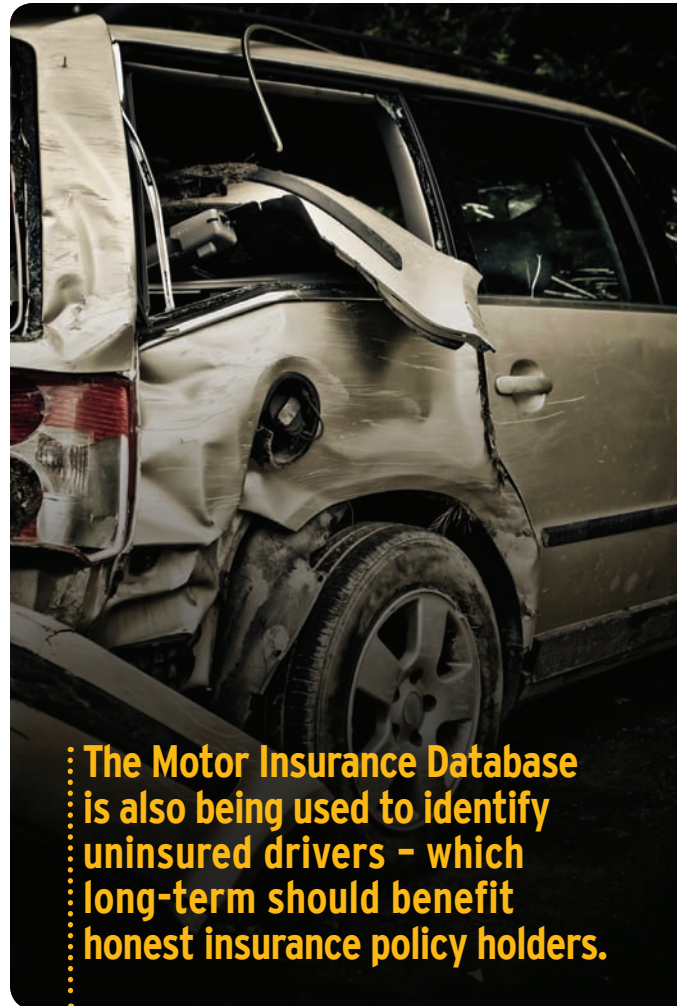
THE PERFECT STORM

A series of factors is accumulating to create a perfect storm in the motor insurance market, potentially pushing up the price of car insurance for the public:

- 'No win, no fee' personal injury claims have increased dramatically over the years and have been blamed by many, including The Justice Secretary, Ken Clarke, for recent increases in the cost of car insurance.
- Earlier in the year we wrote about the European Court of Justice ruling that insurers can't adjust premium prices based on gender, suggesting prices for women may increase by 25%.
- In August this year, the Insurance Fraud Bureau announced it had 29 live organised insurance fraud operations with 17 different Police Forces, focused on fraud valued at approximately £59.5 million, with new operations currently being formed. Many of these operations involve 'crash for cash' activities. An increase in claims has been blamed on fraudulent activities. Higher claims costs have a relationship to increased insurance rates.

While in the short-term like-for-like car insurance prices are likely to rise, positive inroads are being made against fraud with recent 'crash for cash' convictions. The Motor Insurance Database is also being used to identify uninsured drivers – which long-term should benefit honest insurance policy holders.

Even though gender will no longer be used as a pricing factor, there are many other aspects motor insurers can use to calculate your premium, with options available to try to get you a better price. These may include multi-car policies and low mileage policies. Please speak with us to see if we can get you a better deal.



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BALI CRASH MEDICAL BILLS HIT £250,000

The family of a British teacher who was critically injured in a motorcycle crash this July in Bali has spent over £250,000 on his medical treatment because he was not insured. His mother slept on the hospital floor while the family and friends of Matthew Taylor raised funds and took out loans to return him home. Now back in the U.K., Matthew is being treated but remains in a coma.

Standard holiday insurance will not cover you for accidents while you are working abroad, so you may want to consider comprehensive expat policies. If you are considering working abroad outside of the EU, please talk to us about your insurance requirements.



SHINING SOLAR SOLUTIONS



Interest in using solar panels to generate electricity at home is growing. This is due to the increases in domestic energy prices and concern over the sustainability of fossil fuels and their impact on the environment.

The Government initiative, The Energy Saving Trust, is backing installations of solar panels on residential property roofs. It believes, long-term, they can help to cut electricity bills and in some circumstances even generate an additional income as surplus electricity may be sold back to the grid. As solar electricity doesn't release CO₂ or other pollutants, the Trust claims it will also help reduce your carbon footprint.

While the use of domestic solar energy generators is relatively new, some of the risks are known:

Installation – Make sure you select a professional installer that comes with references and they are aware of local rules and weather conditions. Should an accident happen, their public liability insurance should pay for any damage caused.

Maintenance and Damage – Who would pay for the repair or replacement of your panels if they were damaged in a storm? New installations may come with a warranty or maintenance programme, but be sure to check your home insurance includes damage to or theft of the panels and also the wiring, meter, inverter and any other associated equipment.

The insurance market is continuing to introduce risk solutions to help mitigate newer risks associated with the panels. For more information on insuring your solar panels and the associated risks please contact us.

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KEEP STUDENTS GAS SAFE

Over the last two months, many sons and daughters will have moved into rented student accommodation across the country. This month may be the first time they use their gas powered central heating system for any duration. As a student, gas safety may not be their top priority, but knowing their rights as a tenant could save their life.

According to the HSE, each year around 15 to 20 people die from CO poisoning caused by gas appliances and flues that have not been properly installed, maintained or that are poorly ventilated. By law, their landlord has to make sure that the gas appliances supplied in rented accommodation are safe to use. They must get the boiler serviced annually by a Gas Safe registered engineer and provide the tenants with a copy of the landlord's gas safety certificate either prior to moving in, or if they are an existing tenant, within 28 days of the annual check being completed.

Help ensure your childrens' safety; check they have the relevant documentation from their landlord and as an extra precaution provide them with a carbon monoxide detector!

SEWER RESPONSIBILITY CHANGES

Water and sewerage companies in England and Wales will NOW take responsibility for the maintenance and repair of some sewer pipes which are currently privately owned. The change took place on 1 October 2011.

Previously, property owners held responsibility for the sewer pipes that connect their property to the main public sewer systems. The pipes may be shared by several properties and often run under another person's gardens and driveway to the main sewer pipes. Owners were often unaware that they and not their water company had responsibility for these pipes.

From 1 October, you are no longer responsible for all these pipes - only the section of your own private sewer drainage pipe which runs under your land to your boundary. Your water and sewerage company takes responsibility for all shared pipes and sections of those that serve your property but do not run under it.

You should ensure that your insurance policy will cover you for damage for which you are legally liable. For more information on insurance cover for your home, please contact us.



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