



MIBI Member Companies

Regd. in Ireland. No. 15861

17 June 2019

Re: MID-TERM CANCELLATION OF A MOTOR POLICY

Dear Sirs,

In 1986 MIBI introduced a requirement for its Member Companies that letters advising policyholders of mid-term cancellation must be sent by registered post. This was necessitated as previously MIBI was dealing with numerous issues arising out of mid-term cancellation at its then Council meetings. This requirement is provided for under Article 57.2 of MIBI's Constitution (see extract attached to this letter).

This matter has been discussed by MIBI's Technical Claims Committee with a view to amending the requirement as it is understood the cost to the motor insurance market is approx. €1.5 million annually. Arising from these discussions at its meeting of 23 May 2019 the Board of MIBI resolved to *'amend the requirement that Member Companies send letters advising insureds of midterm policy cancellation by registered post to standard post'*.

As such **with effect from 1 July 2019** for policies cancelled on or after that date such letters issued by Member Companies, brokers, agents or intermediaries, **are not required to be sent by registered post but rather may be sent by standard post**. In circumstances where MIBI, during the investigation of a claim, requires evidence from a Member Company that a policy of insurance was cancelled a copy of the cancellation letter along with a screen shot from the Member Company's, broker's, agent's or intermediary's IT system showing the letter was issued shall be provided to MIBI. The burden of proof lies with the insurer to show the letter was issued. A review will take place in January 2020 to examine if the updated procedure is operating satisfactorily.

Separately, the requirements for motor insurers in respect of their obligations regarding policy cancellation under the Road Traffic Act 1961 (as amended) remain.

Please let us know if you have any questions in relation to this matter.

Yours sincerely,

Sent by email and accordingly bears no signature

David Fitzgerald
CEO
Motor Insurers' Bureau of Ireland

C.c. Insurance Ireland
C.c. Brokers Ireland