

# A no-nonsense approach to no claims



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The no-claims bonus is one of the biggest factors determining the premium paid for car insurance. Depending on which insurers you're working with, it can be all too easy for your client to miss out, because insurers take a different view on what matters.

WHEN it comes to the chances of an accident, the all-important factor, and by far the biggest variable, is the driver themselves. So at DUAL, when we're pricing a risk, the driver is where we always start. We put the person before the car, which at first might not sound ground-breaking but it is quite different from the intrinsic underwriting rules of more traditional insurers.

Take, for example, the standard industrywide practice where a driver needs to earn a separate no-claims bonus for each car they are insured on.

This means that, if a person drives a company car for work, but buys an additional car to use at weekends, they may not qualify for a full no-claims bonus on the weekend vehicle, regardless of how many years they have been driving claims-free. Without a full no-claims bonus to benefit from, the insurance on the weekend car could be significantly higher.

For motorists who own more than one car, if they changed their car, they could transfer their existing no-claims bonus onward to the replacement vehicle. But if they added a vehicle to their collection, they may have to start from scratch and build a standalone no-claims bonus for that vehicle.

Does owning more than one car make people more reckless drivers? When a company director drives a car owned through their company and a car they own privately, do they drive them so differently? At DUAL, we don't think so.

The most influential factor of pricing car insurance is the likelihood of the driver being in an accident. The usual rating factors reflect this.

"Age", for example, is a proxy for "experience and attitude." "Occupation" is an indicator of how much time the driver spends on the road. "Driving history" and "Number of years' no-claims bonus" reveal the driver's capability behind the wheel. Questions about the car help us understand if the driver has experience to handle a particular vehicle, as well as its value and security requirements.

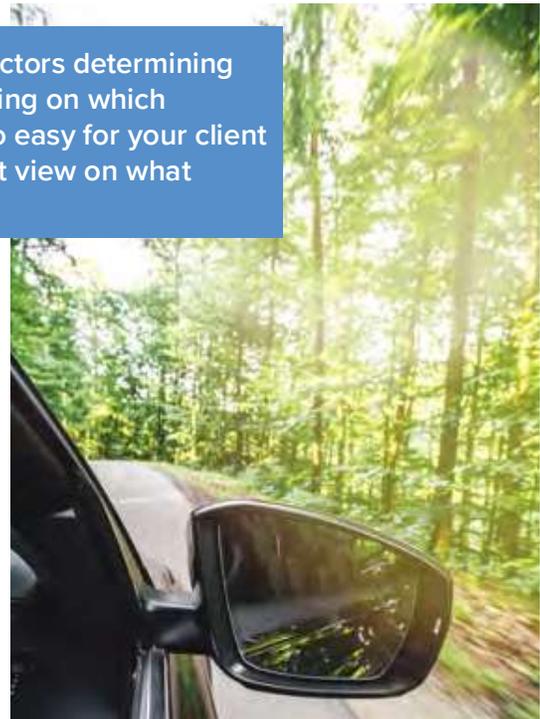
The main causes of car accidents in Ireland are reckless driving, speeding or driving while distracted. For example, using a phone, talking or even eating at the wheel.

We take the view that if you're the type of driver who does those things, you'll be doing them in all of your cars. This cuts both ways: we believe safe drivers are safe drivers, and the car they are driving is secondary to the driver's human characteristics and personal behaviours.

Of course, if they drive a powerful, expensive car, their insurance premium may cost more, as any damage to the vehicle would be more costly to repair. But in terms of no-claims bonus, we take the position that it is fairer to apply it across all vehicles.

## **Making no-claims simple**

At DUAL, we look at your clients' driving history in order to apply a full bonus to all of their vehicles. If your client and all named drivers have a clean driving history, we can offer them a full no-claims bonus, a reduction of up to 60%, on every car they have insured.



*An insurer's attitude to no-claims bonuses can actually save your client significant sums, while still providing comprehensive cover.*

For many drivers in Ireland, the cost of car insurance is not cheap. Clients expect their brokers to shop around to find them the best value for money. Choosing the lowest premium isn't always the best option as cheap premiums can often mean restrictive covers. However, an insurer's attitude to no-claims bonuses can actually save your client significant sums, while still providing comprehensive cover.

There are many reasons a client might not be earning a full no-claims bonus, even though they haven't made any claims. Company directors moving off fleets, expats returning home, and those lucky enough to be able to add a new vehicle to their collection, to name but a few of them.

If your client drives a car worth €40k or more (or €30k on multi-car policies), you may be able to help them find a better solution by speaking to DUAL.

**Kate O'Connor is Head of Business Development at DUAL Underwriting Ireland DAC, the world's largest international MGA. DUAL specialise, amongst other areas, in High Net Worth personal insurance in Ireland and are backed by AXA XL, a division of AXA, one of the world's largest insurance groups. t: 01 6640001 / e:enquiry@dualgroup.ie**

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