

## **Allianz plc (Ireland) response to PMI formal consultation on draft order**

Dear Sir/Madam

In line with your consultation on the draft motor insurance order, please find the responses as follows on behalf of Allianz plc (Ireland):

The main area of concern for Allianz plc (Ireland) in relation to our Northern Ireland PMI activities, relates to the provision of certain prescriptive information on the Protected NCD Statements. The effective date is 1 September 2015, a date which will be extremely challenging to achieve. We note that the CMA are of the view that although consumers value Protected NCD highly, many did not understand the cover, thinking that it guaranteed their premium would not increase if claims occurred, and many insurers in the market failed to adequately explain the benefits and cost appropriately.

However we wish to **request a push back** on the dates being sought. The main reasons are:

1. Brokers are involved here & therefore EDI software houses will also have to be part of the solution. As the EDI software houses bring a dependency on their development timings, this will add pressure in relation to delivering the necessary changes.
2. Insurers will now have to break out premiums for PMI in ways which hitherto has not been a part of the renewal invitation. While this is possible, it will require technical work to make it happen. None of that work has been initiated yet in light of the draft status of the order. We note that Polaris have already initiated discussions amongst GB Insurers on many of these issues. Specifically three headings are now going to be sought:
  - a. A number of statements / explanations
  - b. Average NCD Scale
  - c. Step Back Procedures with and without Protected NCD
3. Given the fact that this is to begin effectively from 1 September 2015, this would mean insurers having to have the renewal run of last week in June compliant, again a very demanding timescale.