

## **An Insurance Broker response to PMI formal consultation on draft order**

Project Officer  
Private Motor Insurance market investigation  
Competition and Markets Authority  
Victoria House  
Southampton Row  
London  
WC1B 4AD

5 February 2015

Dear Sir/Madam,

Following the publication of the Draft Order – Consultation of the CMA Private Motor Insurance Market Investigation Order 2015, I feel the need to write to you with feedback regarding the recommendations contained therein.

Firstly I would like to state that an Insurance Broker agree with and understand the need to comply with the recommendations of the CMA investigation (if they are to become a Final Order). An Insurance Broker recognises the need to provide transparency regarding this policy benefit and agree that the provision of a NCB Protection Statement and Information will provide resolution.

My concerns are regarding the proposed timescales to comply with the Order's recommendations. The proposed deadline of 1<sup>st</sup> September 2015 for implementing the solutions required by the CMA Order would be challenging, largely due to the complexity of the required changes and the number of parties involved that are required to make changes.

The distribution to market channel in private motor insurance is extremely complex and the required changes necessitate amendments to all aspects of this channel which are unlikely to be achievable in the proposed six month period following March 1<sup>st</sup>.

Insurers will need to make complicated product rating calculation changes. Software House's and Broker website's will need significant changes applied such as mapping configuration changes with Price Comparison Websites and changes to messaging between broker systems and insurers. Client documents will need to be overhauled and back office systems will also need to be changed.

Typically, non-trivial change of this type take many months to deliver due to the number of parties involved.

Given there are still unresolved questions regarding the scope of the Order it is not possible for private motor insurance providers to specify changes for Price Comparison Websites and Software Houses I would hope the CMA would consider these concerns and extend the proposed timetable to comply in collaboration with industry representative bodies such as BIBA.

I would stress that An Insurance Broker believe the changes detailed in the Draft Order are necessary but require careful implementation which is unlikely to be achieved in a six month timescale.

Yours faithfully,

An Insurance Broker