



BIZ BUZZ CRISIS UPDATE

14-05-2020

CAR INSURANCE REBATES POSSIBLE FROM MONDAY DUE TO LOCKDOWN...

FEWER CAR JOURNEYS & FEWER ACCIDENTS MEAN INSURANCE COMPANIES ARE PROFITING WHILST CUSTOMERS SUFFER. Unlike Europe, most UK insurers have not offered rebates or refunds (except Admiral and LV) Now the Financial Conduct Authority, has ordered a series of temporary measures starting from Monday to help policy holders affected by Covid-19.

Firms will be required to reassess the risk profile of customers which may mean they should offer lower premiums.

They must consider offering other products which would be meet the customer's needs better. e.g. you might not need key cover or you could switch from fully comp to 3rd party.

Companies must waive cancellation and other fees associated with adjusting policies.

The FCA says customers paying by instalments could see a reduction in monthly premiums and those paying up front might receive a partial refund of their premium.

Car insurance companies have had many fewer pay outs to deal with because of fewer accidents. Direct Line, one of the UK's largest insurers, reported a 70% decrease in April. The FCA noted that across the board insurers could profit by as much as £1bn from the pandemic. They say some of this should go back to customers.

INSTALMENT DEFERRALS IF YOU'RE IN HARDSHIP. You have until 18th August 2020 to ask. The FCA is telling firms to offer payment deferrals to customers who pay in instalments if amendments to their cover do not help temporary payment difficulties. Deferrals could be between 1 and 3 months, tho the FCA says it could be longer if it's in a customer's interests. **Other FCA suggested options include** accepting reduced repayments, rescheduling the policy term, waiving missed or late payment fees, permitting a customer to amend their repayment date without cost. Firms are also being told to review their interest charged on instalment payments which can be as high as 20% on car or home insurance. The Bank of England base rate is 0.1%

All these measures which the FCA has demanded will be reviewed over the next three months and may be revised.

The FCA details are here: <https://www.fca.org.uk/news/press-releases/fca-confirms-measures-insurance-customers-coronavirus>

The Government's roadmap for opening up the economy is here:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/884171/FINAL_6.6637_CO_HMG_C19_Recovery_FINAL_110520_v2_WEB_1_.pdf

If you need to get information, advice or need to apply for loans from Breckland District Council here is the link: www.breckland.gov.uk/coronavirus

All Biz Buzz crisis updates are to be found on www.np4nb.online