Opportunity lost: Parliament rejects possibility to make driving history count

Today the European Parliament voted on new rules regarding motor insurance. An amendment to see the introduction of a ‘bonus-malus’ system, where insurers would be required to award consumers automatic premium reductions based on a good driving history, failed to get the necessary votes [1].

This means that people with a good safety record seeking car insurance might end up with a more expensive premium just because the company chose to ignore the customer’s driving history.

Monique Goyens, Director General of The European Consumer Organisation (BEUC), said: “Every motorist needs car insurance, but not everybody gets a fair deal. Introducing a bonus-malus system as exists in France would have been a proven way to make driving history count and make an insurance premium better match a person’s driving record. The Parliament failed to make this obligatory which means consumers could continue overpaying for their insurance despite having a good driving history.”

ENDS

[1] Mandatory bonus-malus rules already exist in several Member States, including France and Luxembourg. In France, 95% of drivers receive a bonus based on their driving history. In other EU Member States, there is no specific obligation for insurance firms to take into account claims history statements, and insurers are free to determine the levels at which they set their premiums.

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