

Jamie Stone MP
Caithness, Sutherland and Easter Ross



HOUSE OF COMMONS
LONDON SW1A 0AA

The Rt Hon Rishi Sunak MP
Chancellor of the Exchequer
HM Treasury
The Correspondence & Enquiry unit
1 Horse Guards Road
London
SW1A 2HQ

18 April 2020

Dear Chancellor,

We, the undersigned group of cross-party MPs, are writing to you about motor insurance premiums.

We all pay for the insurance cover on our cars - and the cost of this cover is directly related to factors such as the type of vehicle, its use - and the age, experience, and driving record of the driver(s).

This is perfectly acceptable in normal times. However, we are now in the midst of the Covid-19 pandemic. Many aspects of life have completely changed, including how often we're using our cars. Motor insurance should be adapting to these changes.

Car insurers have reported an almost 50% drop in claims during lockdown. Furthermore, the UK Government has stated that driving is down by 75% as a result of lockdown. Accordingly, it has been calculated that insurers are set to make £1 bn profit from all of the motorists who cannot drive right now.

Insurers in the US and elsewhere have refunded premiums to customers. Yet, this week we saw the insurance company Hastings Direct paying a £36m dividend. This was in direct contravention of Financial Conduct Authority's instructions not to do so at this time.

It is important to also note that it is the nature of the motor insurance business not to cover risk in other insurance sectors. This means these motor insurance premiums are not offsetting of losses in other areas. Therefore, there is a direct correlation between the drop in claims, driving activity during lockdown and insurance company profits. This is why we have written to you today.

We do not need to restate all of the financial challenges faced by families during these desperately difficult times. For this reason, we, MPs from all political parties, would suggest to you that HM Treasury take action to ensure that UK insurance companies repay some, or where appropriate all, of premiums to customers.

We hope that you give this proposal serious consideration.

Yours sincerely,

Jamie Stone MP and all here undersigned

Chris Bryant MP (Labour)

Dr Lisa Cameron MP (SNP)

Alistair Carmichael MP (Liberal Democrat)

Wendy Chamberlain MP (Liberal Democrat)

Sir Ed Davey MP (Liberal Democrat)

Colum Eastwood MP (SDLP)

Tim Farron MP (Liberal Democrat)

Marion Fellows MP (SNP)

Stephen Flynn MP (SNP)

Paul Girvan MP (DUP)

Claire Hana MP (SDLP)

Neale Hanvey MP (Independent)

Wera Hobhouse MP (Liberal Democrat)

Sir George Howarth MP (Labour)

Christine Jardine MP (Liberal Democrat)

David Linden MP (SNP)

Angus MacNeil MP (SNP)

Shabana Mahmood MP (Labour)

Layla Moran MP (Liberal Democrat)

Sarah Olney MP (Liberal Democrat)

Virendra Sharma MP (Labour)

Tommy Sheppard MP (SNP)

Henry Smith MP (Conservative)

Zarah Sultana MP (Labour)

Munira Wilson MP (Liberal Democrat)

