

NEWS IN BRIEF

RAC plans consolidation

RAC has said it plans to broaden the horizons of its accident and legal services, by merging the two together — to become RAC services. "The synergy will cut vehicle down time, oversee recovery and repair costs and reduce driver inconvenience," RAC said in a statement. John Lawrence, formerly director of membership sales at RAC Rescue, will head up the combined operation.

Two more join Withersnet

Two more contractors — Underpin and Makegood and Olympus Construction Wessex — have joined the Withersnet structural repair network.

Dispute risk undervalued

Businesses are six times more likely to incur an employment dispute than they are a fire, yet less than half of the SME market has commercial legal expenses cover, according to Allianz Cornhill Legal Expenses. "Nearly all businesses are insured for a fire but the majority remain exposed to major financial losses through a legal dispute, which can run into thousands of pounds," said David Vine, the insurer's business development manager.

Beachcroft injury advice

Beachcroft has been appointed to advise on the legal aspects of the fourth bodily injury awards study. The project is commissioned by the International Underwriting Association in conjunction with the Association of British Insurers.

Bristol specialism

The Bristol office of law firm CMS Cameron McKenna handles professional indemnity, not personal injury claims, as reported last week (*Post*, A breath of fresh air, pp31-32).

Get authorised to avoid being an April fool

CLAIMS management companies need to apply for authorisation by 16 February in order to ensure their application will be processed by April when the regulatory regime will be introduced.

Mark Boleat, head of claims

management regulation at the Department for Constitutional Affairs, said that "figures suggest the total number of businesses seeking authorisation is likely to be at the higher end of the range of expectations, probably in

excess of 700 companies."

However, Mr Boleat has warned that there are many businesses, particularly insurance brokers, that have not yet begun the process and need to do so straight away to avoid missing the deadlines.



Boleat warns firms t

Cash injection frees Drive Assist to grow organically

BY JONATHAN SWIFT

DRIVE Assist is more likely to look at organic growth than acquisitions in the short term following investment group Charterhouse's decision to buy a majority stake in the firm, valuing it in excess of £250m.

The move has already raised questions over rival Helphire's deal with Saga for accident management services, given that the latter and Drive Assist now share an investment partner in Charterhouse.

In May 2006 Helphire announced it had won a "significant contract" with a major motor insurance company with one million customers, strongly tipped to be the over 50s insurance specialist.

A Drive Assist spokesman told *Post* that the investment from Charterhouse would allow the

company to grow much quicker than if it had decided to float, as it had secured a 7-year banking facility and 5-year committed vehicle stocking facility.

The spokesman noted that this would allow it to increase its vehicle stock by 150% from its current position where it has a fleet of 15 000 vehicles.

Drive Assist currently buys 25 000 vehicles annually, a figure expected to increase to 63 000 following the Charterhouse funding. The spokesman insisted this would mean it would not have to consolidate with listed rivals such as Helphire and Accident Exchange, as had been speculated to achieve targets.

Chief executive Steve Binch added: "We are confident that our customers, suppliers and staff will experience 'business as usual', but

with the added benefits of security.

"The directors and I firmly believe that this is the business to continue from strength to strength, capitalise on its position of the UK's largest replacement vehicle service in the insurance industry."

Following the deal, investor, TA Associates and two main board members, Stuart Woolley and Tre have retired.

The latter two will remain at the holding company, table by Charterhouse. Malcolm Offord and Fehling. Mr Offord is executive director of Charterhouse bought in October 2004, a deal

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Four in five claimants are "satisfied"

AN insurance industry-sponsored report has found more than 80% of claimants are "satisfied" with recent service, but expect and demand improvements.

The study, conducted every six months on behalf of the General Insurance Market Research Association, highlighted that while customers expect and demand better service from their

insurance provider, more than 80% of claimants are satisfied with the recent claims service they received from their insurer and around three in five claimants (62%) were very satisfied.

According to the GIMRA, which numbers 95% of the UK GI marketplace as contributors, the latest results show improvements in several key areas, including

level of interest and care after claim has been settled, communication from the insurance company throughout the claim, managing of third party suppliers, summary of what the policy covers, ease of telephone contact, and ability to choose a recommended or own supplier.

Kerry Costello, vice chair of the GIMRA, said the results signify insurers are "dedicated

and committed" to excellent customer service and not just trying to get the business.

"These results show a continuous development taking place across within the industry. Increases in the last the study show that are already feeling the impact of those developments especially in the for claimants through experience," she a

Fraud focus: Addressing online fraud

As we progress through 2007, a significant increase in focus on information security and hi-tech crime is becoming noticeable. Already this year we have seen the world's largest ever 'online fraud', involving Swedish bank Nordea, and the use of a Trojan virus to steal a total of more than \$1.1m (£560 000) from up to 250 customer accounts. A survey by electronic payments company 3V has revealed that people in the UK now fear online fraud more than gun crime, with one in seven

dedicated resource to identify, assess and measure the criminal threats faced by the financial sector. Speaking at its annual financial crime conference, FSA chief executive John Tiner explained that information security and hi-tech crime will be a specific focus for the new division, which will be working with regulators in other sectors, such as utilities and telecommunications, to look at personal financial data and the associated risks. The FSA has also revealed that the establishment of this new

laundering procedures.

This year has also seen a range of new laws into force to help combat online fraud. These include the *Police and Justice Act 2006*, which closes a legal loophole unaddressed by the *Computer Misuse Act 1990* concerning 'denial of service' attacks, and now a criminal offence. The *Fraud Act 2006* has two offences that it is believed are largely aimed at tackling online fraud. For example, possession