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Issue 2 . June 2016

Taxis not owned by the 'claimant' driver

QUESTIONABLE AGREEMENTS PRESENTED TO SUPPORT CLAIMS

Validus routinely requests documentation to evidence the legitimacy of taxi claims.

It often transpires that the damaged taxi was owned by a taxi company, rather than the 'claimant' driver.

What is then provided to rebut the assertion that the taxi company should pursue loss of profit claim, is a copy of a rental or lease agreement between the driver and owner that predates the accident.

"a rental or lease agreement between the driver and owner that predates the accident"

The agreements generally state that the driver will remain liable for the charges under it regardless of whether the vehicle is off the road

Due to the scale of the cross-market exposure Validus benefits from, it has become apparent that identical agreements that feature unrelated taxi companies in different areas of the UK are being presented in support of claims.

"identical agreements that feature unrelated taxi companies in different areas of the UK"

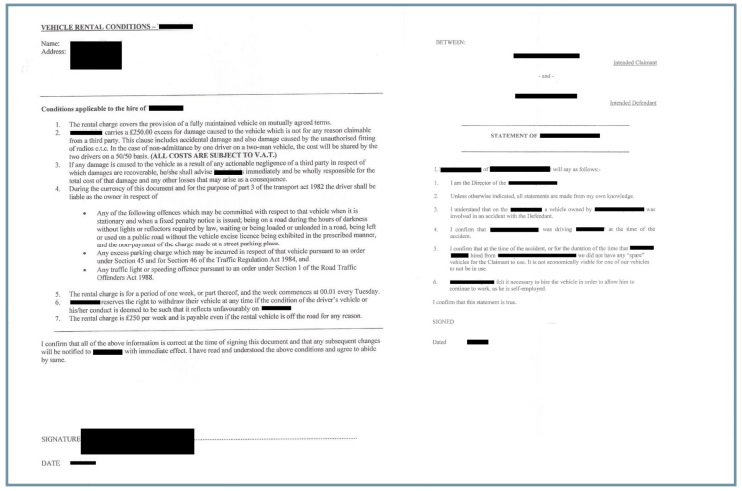
These are often titled "Terms of Business Agreement" but other forms are being identified and referred using the verify™ platform.

Across the claims that have been investigated featuring the identical agreements, the only common factor is the claimant representative who presents them.

"only common factor is the claimant representative who presents them"

This has led to serious questions over the veracity of these documents. Several intelligence reports have already been provided to individual insurers to highlight this issue on a case-by-case basis.

Where genuine concerns have been identified by Validus, it is generally suggested that the insurer instructs a field agent to interview the driver and establish the legitimacy of the agreement. Such identification and action could avoid insurers paying a costly credit hire bill for a claim that may well have been fraudulently presented.



VEHICLE RENTAL CONDITIONS – [redacted]

Name: [redacted]
Address:

Conditions applicable to the hire of [redacted]

1. The rental charge covers the provision of a fully maintained vehicle on mutually agreed terms.
2. [redacted] carries a £250.00 excess for damage caused to the vehicle which is not for any reason claimable from a third party. This clause includes accidental damage and also damage caused by the unauthorised fitting of radios c.t.c. In the case of non-admittance by one driver on a two-man vehicle, the cost will be shared by the two drivers on a 50/50 basis. **(ALL COSTS ARE SUBJECT TO V.A.T.)**
3. If any damage is caused to the vehicle as a result of any actionable negligence of a third party in respect of which damages are recoverable, he/she shall advise [redacted] immediately and be wholly responsible for the total cost of that damage and any other losses that may arise as a consequence.
4. During the currency of this document and for the purpose of part 3 of the transport act 1982 the driver shall be liable as the owner in respect of
   - Any of the following offences which may be committed with respect to that vehicle when it is stationary and when a fixed penalty notice is issued; being on a road during the hours of darkness without lights or reflectors required by law, waiting or being loaded or unloaded in a road, being left or used on a public road without the vehicle excise licence being exhibited in the prescribed manner, and the non-payment of the charge made at a street parking place.
   - Any excess parking charge which may be incurred in respect of that vehicle pursuant to an order under Section 45 and for Section 46 of the Traffic Regulation Act 1984, and
   - Any traffic light or speeding offence pursuant to an order under Section 1 of the Road Traffic Offenders Act 1988.
5. The rental charge is for a period of one week, or part thereof, and the week commences at 00.01 every Tuesday.
6. [redacted] reserves the right to withdraw their vehicle at any time if the condition of the driver's vehicle or his/her conduct is deemed to be such that it reflects unfavourably on [redacted]
7. The rental charge is £250 per week and is payable even if the rental vehicle is off the road for any reason.

I confirm that all of the above information is correct at the time of signing this document and that any subsequent changes will be notified to [redacted] with immediate effect. I have read and understood the above conditions and agree to abide by same.

SIGNATURE [redacted]

DATE [redacted]

BETWEEN:

[redacted] Intended Claimant

- and -

[redacted] Intended Defendant

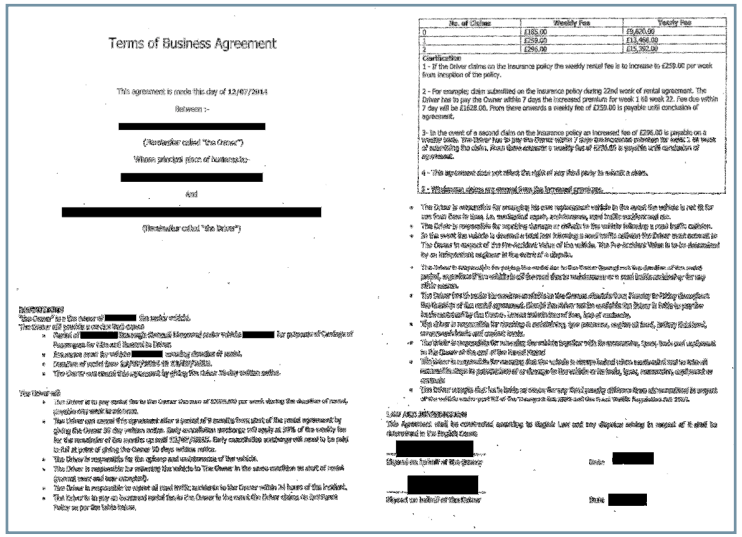
STATEMENT OF [redacted]

1. [redacted] of [redacted] will say as follows:-
1. I am the Director of the [redacted]
2. Unless otherwise indicated, all statements are made from my own knowledge.
3. I understand that on the [redacted] a vehicle owned by [redacted] was involved in an accident with the Defendant.
4. I confirm that [redacted] was driving [redacted] at the time of the accident.
5. I confirm that at the time of the accident, or for the duration of the time that [redacted] hired from [redacted] we did not have any "spare" vehicles for the Claimant to use. It is not economically viable for one of our vehicles to not be in use.
6. [redacted] felt it necessary to hire the vehicle in order to allow him to continue to work, as he is self-employed.

I confirm that this statement is true.

SIGNED

Dated [redacted]



Terms of Business Agreement

This agreement is made this day of 12/07/2014

Between :-

[redacted]

(Hereinafter called "the Owner")

Whose principal place of business is:-

[redacted]

And

[redacted]

(Hereinafter called "the Driver")

No. of Claims	Weekly Fee	Yearly Fee
0	£185.00	£9,620.00
1	£259.00	£13,468.00
2	£296.00	£15,392.00

Certification

1 - If the Driver claims on the insurance policy the weekly rental fee is to increase to £259.00 per week from inception of the policy.

2 - For example; claim submitted on the insurance policy during 22nd week of rental agreement. The Driver has to pay the Owner within 7 days the increased premium for week 1 till week 22. Fee due within 7 day will be £1628.00. From there onwards a weekly fee of £259.00 is payable until conclusion of agreement.

3 - In the event of a second claim on the insurance policy an increased fee of £296.00 is payable on a weekly basis. The Driver has to pay the Owner within 7 days the increased premium for week 1 till week 22. Fee due within 7 day will be £1628.00. From there onwards a weekly fee of £259.00 is payable until conclusion of agreement.

4 - This agreement does not affect the right of any third party to submit a claim.

5 - Whatsoever claims are covered from the increased premium.

[redacted]

[redacted]

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