



Re: 'No-win, no-fee and no winners' (5 June 2011, *The Sunday Times*)

Sir,

It should be made clear who really benefits from referral fees. What the Association of British Insurers (ABI) fails to mention is how much money insurance companies make from selling on the details of claims against other insurers.

The ABI also makes no mention of the fact that the Transport Select Committee recently found in its enquiry into rising premiums that more needs to be done by insurers to tackle fraud.

Motorists should also be made more aware that insurers are actually increasing the number of claims by pursuing victims to offer compensation when they may not have even considered making a claim. By doing this, some unscrupulous insurers can capitalise on a victim's inexperience and under settle claims.

In addition, it is hard to see how it can be stated that the cost of motor claims has "soared" when a new system for dealing with road traffic accident cases, agreed by insurers and lawyers, was set up 12 months ago with the aim of controlling costs. We challenge the insurance industry to deliver lower premiums in a year's time when we hope the full effects of these efficiencies should be felt.

Finally, perhaps most revealing in your article are the comments by Admiral chief executive Henry Engelhardt, that the company's "big success was the UK motor insurance business". This shows an inconsistency in the ABI's argument. It is difficult to see how the market is as tough as the ABI claims when Admiral is able to make its motor insurance products such a success.

David Bott  
President  
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