

Motorists to avoid annual EU price hike thanks to Brexit powers

- contentious EU motor insurance rule scrapped in UK as Bill passes through Parliament
- cost-of-living boost as British motorists spared roughly £50 yearly insurance hike, with motorsports sector protected from potential collapse
- Vnuk law could have required vehicles, such as golf buggies and ride-on lawnmowers, used on private land to be insured

British motorists will be spared a possible £50 annual insurance hike, as the government continues to assist with cost-of-living pressures and uses post-Brexit freedoms to scrap a controversial EU law.

A bill to scrap the EU's Vnuk motor insurance law has passed through Parliament today (25 April 2022) and will go on to receive royal assent to confirm changes in the law.

The EU law could have required a wider range of vehicles beyond cars and motorbikes to have motor insurance, such as golf buggies, mobility scooters and quad bikes.

It would have extended to vehicles on private land, meaning even people with a ride-on lawnmower at home would have potentially required motor insurance. However, other insurance options are already available to people who need cover on their private land, such as farmers.

Not implementing the law will prevent an almost £2 billion hike for the country's insurance industry, which would have translated into a potential increase in individual insurance premiums of around £50 per motorist per year.

Transport Secretary Grant Shapps said:

Sacking this nonsensical EU rule will protect the pockets of hard-working British people as we continue to help ease cost of living pressures.

This is another Brexit win and I'm delighted this bill has rightfully passed through Parliament, saving billions of pounds of additional insurance costs and protecting our world-leading motorsports sector.

The bill was introduced to Parliament by Peter Bone MP, who said:

I am delighted that Brexit has allowed me to promote a bill that

could save the average motorist £50 per year.

I am grateful for the help that the Motor Insurers' Bureau and the government provided in drafting the bill. My Motor Vehicles (Compulsory Insurance) Bill is just a small example of our Brexit dividend.

Vnuk would have also covered motorsports collisions, potentially involving vehicles from go-karting to Formula One, which would have been treated as regular road traffic incidents requiring insurance.

This could have decimated the motorsports industry due to additional insurance costs of roughly £458 million every single year. Scrapping Vnuk will therefore save the world-leading sector from potential collapse and secure hundreds of thousands of industry jobs in the process.

The CEO of The Motor Insurers' Bureau (MIB), Dominic Clayden, said:

The MIB welcomes the passing of the Motor Vehicles (Compulsory Insurance) Bill. We have campaigned on this issue for a number of years and we're delighted that the necessary legislation to remove the effects of Vnuk has now passed.

Motorists will no longer be faced with the additional costs relating to future accidents on private land and accidents involving a range of extra vehicles – including lawnmowers and golf carts. This will save all motorists money and take us back to the commonsense approach we had before the Vnuk ruling in 2014.

In addition to the likely financial burden on British road users, the Vnuk rules are considered unnecessary as there are already insurance packages available to Brits that cover certain risks on private land.

Motor insurance will still be required for any vehicles being driven on roads or other public places. However, the removal of Vnuk means insurance for vehicles used on private land is not needed.