

# Post pandemic mileage drives up risk

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A Canadian survey has found that 20% of Canadians are driving to work more often than they were six months ago, with 11% declaring they now drive to work daily. This comes after a drop in mileage during the Covid-19 pandemic following the work-from-home mandate.

However, as we see an increase in car usage, 44% of Canadians said they have not told their insurance companies about such mileage upsurges. Alongside this, 74% of Canadians stated they were unaware of their obligation to inform their insurer, even when reporting changes is a policy condition.

Alongside ignorance, The Leger survey commissioned by RatesDotCa and BNN Bloomberg also demonstrates informed non-compliance. This is because 54% of respondents said they knew about the requirement to disclose mileage, but still chose not to inform insurers.

Kelsey Hawke, RatesDotCa's auto insurance expert stated:

"Those individuals... may not be aware of the implications of their decision... Not reporting changes to usage can be deemed a misrepresentation of policy details and can result in a claim being denied, which can cost the insured a significant amount of money".

## Considerations for underwriters and insurers

Whilst we are not aware of similar surveys in the UK, it seems likely that similar issues will apply here. Insurers are advised to ensure that obligations to notify insurers of mileage (and other) changes, together with the remedies for non-compliance, are clearly explained in policy wordings and other customer communications.

Insurers are also reminded that owing to a combination of the compulsory insurance regulations and the Motor Insurance Bureau articles, their right to apply remedies is practically limited particularly in relation to liability cover.

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