London, 26th November

Insurers warned to prepare supply chains for the next wave of vehicle complexity

Europcar Mobility Group UK urges the insurance industry to review replacement vehicle supply chains to meet changing customer needs

In light of the fast-changing UK vehicle parc, Europcar Mobility Group UK is urging the insurance industry to review its supply chains to ensure it can continue to deliver an effective replacement vehicle service to customers following an accident. The business believes a spotlight must be put on continuity of service and how the insurance industry will overcome increasing challenges around suitable mobility replacement.

Leigh Broomhead, Head of Insurance at Europcar Mobility Group UK, believes the industry must take a proactive approach to these changes, including reviewing whether current General Terms of Agreement (GTA) rate groupings adequately reflect the evolving vehicle parc. "The evolution of the UK vehicle market is expected to become increasingly evident from 2027; it is therefore imperative for the insurance industry to act now to ensure its infrastructure, processes and commercial arrangements are equipped to meet changing demand.

“The growth of EVs, Chinese automotive brands and larger SUVs brings new considerations for insurers and their supply chain partners. Finding suitable alternatives may become more challenging, particularly where customer expectations around vehicle type and specification need to be balanced against availability and existing replacement vehicle categories. The question is whether the industries processes, infrastructure and commercial frameworks are evolving quickly enough to keep pace. Insurers should be looking at their supply chains now to ensure all products and services are suitable for all customers, and in line with the Consumer Duty Act and Treating Customer Fairly frameworks.

"Although several positive steps are being taken to help ease the EV demand pressures, including work on the GTA 2.0, an important conversation needs to be had urgently about whether existing GTA rate groupings remain fit for purpose as the market evolves. Do the current groupings adequately reflect the growth of EVs, and are they sustainable when suitable replacement vehicles are becoming more difficult to source?"

As well as having a fully GTA aligned fleet, Europcar Mobility Group UK holds a dedicated, ring-fenced fleet of vehicles specifically for its insurance customers. Alongside matching replacement vehicles to GTA groups, the ring-fenced fleet is made up of both internal combustion engine (ICE) and electric vehicle (EV) options. This dedicated resource

underscores Europcar's commitment to understanding and responding to the unique requirements of its insurance partners and their customers.

"Preparing for this changing landscape requires insurers to look beyond immediate vehicle availability and assess the resilience, flexibility and reach of their replacement mobility supply chain," added Leigh Broomhead. "Having the right fleet, strong manufacturer and fleet connections, and the ability to respond to changing demand will be increasingly important. Insurers should be reviewing their arrangements now to ensure their partners can support the vehicles customers drive today and those they will drive in the years ahead. By working with rental providers that have the scale and capability to adapt, the industry can build a more resilient service while protecting the customer experience as the market evolves."

ENDS

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Notes to Editors

About Europcar Mobility Group
Europcar Mobility Group is a global mobility player, with 75 years of mobility services expertise and a leading position in Europe.

"We help to change the way you move" is what we stand for and brings us together. More than ever, we're committed to delivering simple, seamless, innovative solutions that make mobility easy, enjoyable and increasingly eco-friendly.

To do this, we offer to individuals and businesses a wide range of car and van rental services, be it for a few hours, a few days, a week, a month or more, on-demand or on subscription, relying on a fleet of more than 280.000 vehicles, equipped with the latest engines including an increasing share of electric vehicles.

Our brands address differentiated needs, use cases and expectations: Europcar® - a global leader of car rental and light commercial vehicle rental, Goldcar® - a frontrunner at providing low-cost car rental services in Europe, Fox-Rent-A-Car®, one of the main players in the car rental market in the US, with a "value for money" positioning, and Euromobil®, a German car rental player. The Group also operates the "myEuropcar" platform for vehicle subscription.

Customers' satisfaction is at the heart of the Group's ambition and that of our more than 9,000 employees, everywhere we deliver our mobility solutions, thanks to a strong network in over 130 countries (including 15 wholly owned subsidiaries completed by franchisees and alliance partners).

More info: www.europcar-mobility-group.com