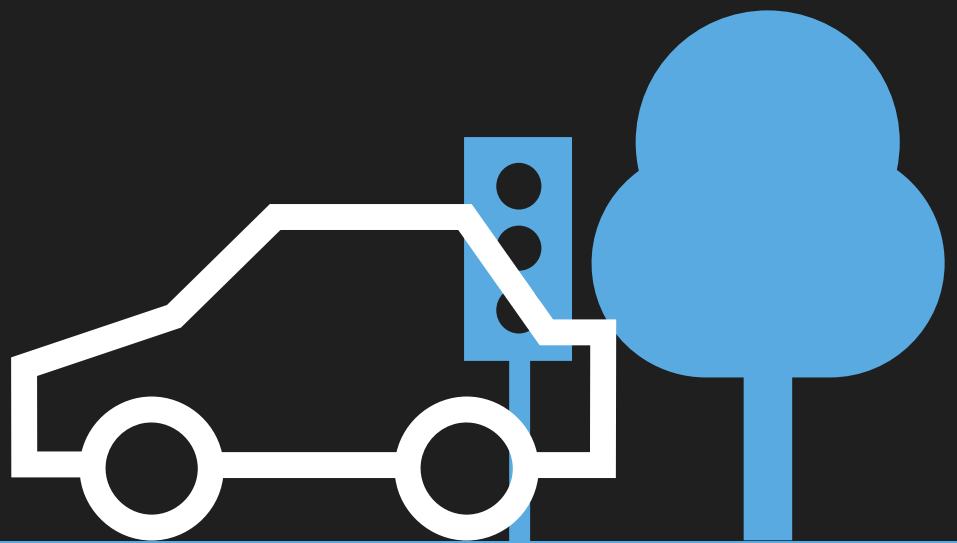




# Confused.<sup>com</sup> car insurance price index

The most comprehensive analysis  
of car insurance pricing in the UK

Q1 2024



# Executive summary

The cost of car insurance has increased by £284 (43%) over the past 12 months.

The Confused.com car insurance price index began in 2006 and is the most comprehensive analysis of car insurance pricing in the UK. Published every 3 months, the index looks at over 6 million car insurance quotes per quarter to provide insight and analysis across the market.

The latest index covers the first quarter of 2024 and shows the average price has dipped 5% compared to the fourth quarter of 2023 (October-December). This is the first time prices have fallen in 2 and a half years, after reaching record highs at the end of 2023.

Further research of 2,000 UK drivers' shows how 3 in 4 (75%) received a higher renewal price in the past 3 months of £94, on average. However, it pays to switch, as those who shopped around using a price comparison site saved £90, on average.

Louise Thomas, Confused.com car insurance expert, urges drivers to shop around for their car insurance, especially in the current cost-of-living crisis. She comments:

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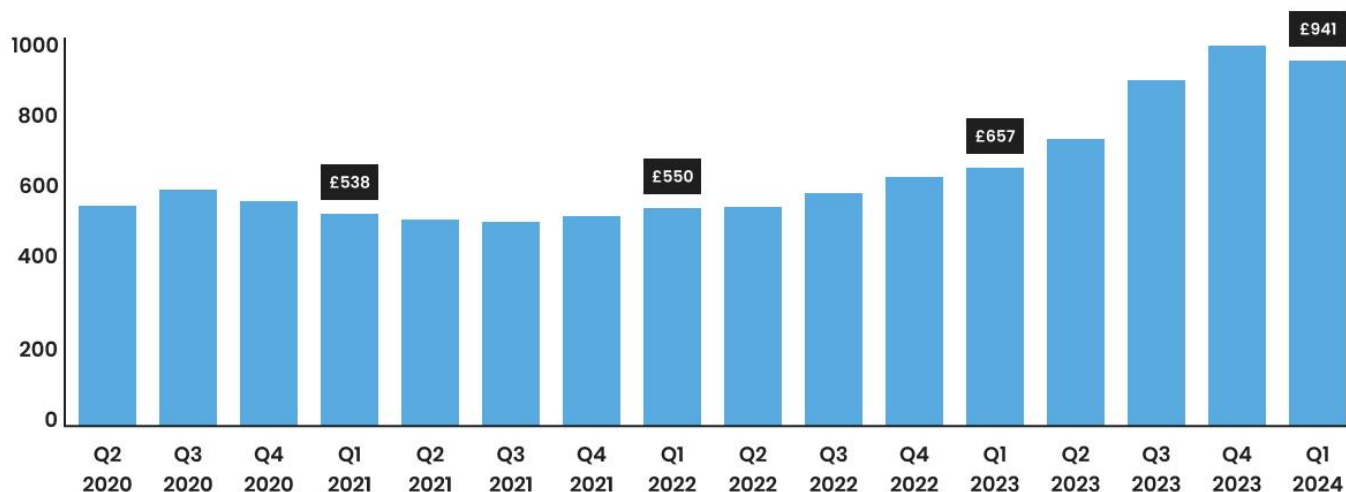
Ultimately, shopping around is the only way to know you're paying the cheapest price available to you. With prices so high, it's a very competitive market. So if you look around, there's likely to be an insurer out there willing to offer a cheaper price.<sup>2</sup>”

-Louise Thomas, car insurance expert

# The bigger picture

## How prices have changed

The latest Confused.com car insurance price index reveals car insurance now costs £941, on average



More than 2 in 5 (43%) UK drivers claim they are paying more for their insurance now than ever before. And only 1 in 7 (15%) claim they are happy with the amount they pay for their car insurance.

Prices have far exceeded pre-Covid figures. At the start of the pandemic, prices peaked at £630 before falling the following quarter. This is because there were fewer drivers on the road so there were fewer drivers making claims.

Now though, the number of cars on the road has increased to a normal, if not inflated, level. The more cars there are on the road, the more accidents and claims. It's also more expensive for insurers to pay for parts and labour for claims because of inflation too.

Garages are still having supply chain issues because of the pandemic. This means delays and backlogs for cars that need repairing. This increases the cost of claims too, and pushes car insurance costs up even further.

This combined with high inflation in general means that insurers are paying more to cover the cost of claims. And this is affecting the price of car insurance.

# Prices by gender

## Do men or women pay more?



While all drivers are seeing price increases this quarter, men are now paying £1,001 on average - a 43% (£299) increase compared to last year.

Women are paying £841 on average for their car insurance, which is £258 (44%) more than last year.

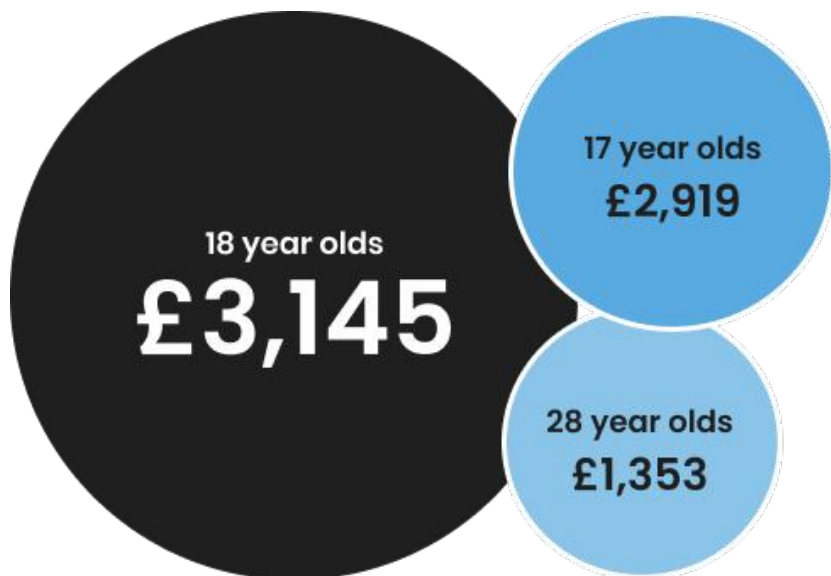
This means the 'gender gap' between male and female drivers stands at £160.

Thanks to the EU Gender Directive in 2012, insurance companies can't use a person's gender when calculating insurance prices.<sup>3</sup>

But men normally pay more for their car insurance despite this. This is because men tend to have a higher risk profile than women. They tend to drive more expensive cars with bigger engines and more technology. So if they have an accident, their car insurance claim tends to be higher than for a female driver.

# Prices by age

## What do younger and older drivers pay?



17-year-olds are paying £2,919 – a 81% (£1,307) increase in the past 12 months. 18-year-olds are paying £3,145 – 70% (£1,300) more than last year, over triple the national average.

Meanwhile prices for 28-year-olds fell the most over the past 3 months, with premiums now 9% (–£139) cheaper, on average. This brings the average premium for drivers of this age to £1,353. However, this is still £403 (42%) more expensive year-on-year.

Drivers who would expect to pay less due to building up a no claims bonus are paying more now than they were 5 years ago. In particular, 22-year-olds are paying £667 more than the price they were paying when they were 17, despite gaining more driving experience.

This financial burden isn't only with younger drivers, though, as drivers don't see prices less than £1,000 until they reach 41 years of age, on average.

# Prices by region

## Which areas have seen the biggest rises?

Inner London



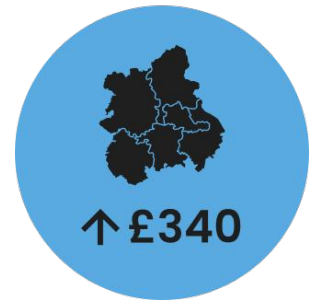
Northern Ireland



Central Scotland



West Midlands



While prices have increased significantly over the past 12 months, most regions have seen some respite with premiums cheaper compared to the end of 2023.

Those living in Inner London saw their prices rise by £434 (41%) in the last 12 months, bringing their average costs to £1,501. But this has dropped by £106 (-7%) compared to the previous quarter.

Prices in Northern Ireland have dropped the most over the past quarter, with premiums now 8% (£83) lower than 3 months ago. This means drivers in the region are now paying £968, on average. However, this is still £264 (38%) more expensive than 12 months ago.

In Central Scotland, average car insurance costs have increased by £298 (52%) compared to last year. Drivers are paying £871 for cover, on average. And the cost of car insurance in the West Midlands is £1,157, on average - £340 (47%) higher than last year.

# Expert view

## Louise Thomas, car insurance expert at Confused.com, says:

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For the first time in a while car insurance prices are starting to drop for most drivers, and this may come as a relief. Especially as most drivers have seen increases of hundreds of pounds over the past 12 months. However, prices are still incredibly high and so people can expect to see their price increase compared to the previous year.

“The important thing to remember is that you don’t have to accept your renewal, especially as we know from our research that shopping around can find you a cheaper price. And on top of this, there are additional ways you can save as well. Choosing a higher voluntary excess can bring down your overall premium – but remember to only choose a price you can afford should you need to make a claim. And if you can, paying annually will save you money too, as monthly payments can incur an interest charge. If these aren’t viable options, things like increasing your security or reviewing your mileage to be more accurate could make a difference when quoting.”



**Louise Thomas**  
Car insurance expert  
**Confused.com**

# Note to editors

More than 6 million quotes are used in the construction of each quarter's insurance price index - this makes it the most comprehensive insurance index in the UK. Unless otherwise stated all prices referred to are for comprehensive cover.

The following web pages will be updated to reflect the new figures and can be linked to: <http://www.confused.com/car-insurance/price-index>

1. Research carried out by One Poll on behalf of Confused.com of 2,000 UK drivers who have car insurance policies. This was conducted between 2 and 5 January 2024.
2. <https://www.confused.com/beat-your-renewal> - terms and conditions apply. Must be a like-for-like policy.
3. While the EU gender directive prohibits insurers from assessing a driver based on their sex, there are other risk factors which cause men to have higher premiums. For example, men tend to drive more expensive cars with larger engines and loaded with new technology, on average, which makes for higher-value claims. They also tend to have significantly more motoring convictions than women.



# Media information

## **About the index**

The index is compiled using anonymous data from all enquiries submitted on Confused.com. In line with the draft Office of Fair Trading (OFT) commitments on the use of competitor price data, the prices used for calculating the index are based on an average of the best 5 quotes received on Confused.com.

The OFT closed on 1 April 2014 and the commitments are now governed by the Competition and Markets Authority (CMA).

## **About Willis Towers Watson**

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