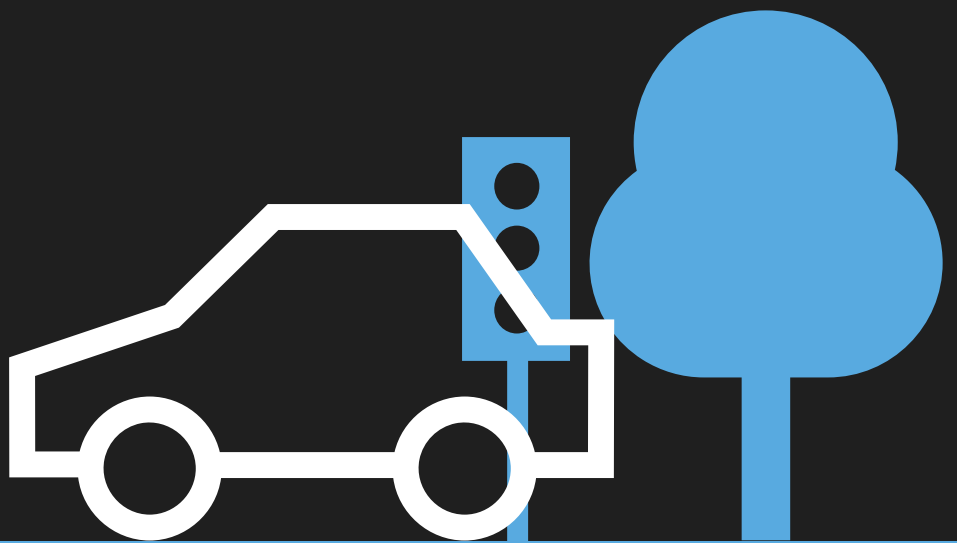




# Confused.<sup>com</sup> car insurance price index

The most comprehensive analysis  
of car insurance pricing in the UK

Q2 2023



# Executive summary

**Car insurance costs at their highest on record after massive 40% increase – we urge drivers to shop around and save**

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 2023 and shows that drivers can expect to pay £776 for their annual car insurance policy, on average.

This is the highest average car insurance cost since the index began. Prices are 40% (£222) higher than they were 12 months ago, and 18% (£119) higher than the previous quarter.

Louise Thomas, Confused.com car insurance expert, urges drivers to shop around for their car insurance as it becomes one of the most expensive household bills. She comments:

“

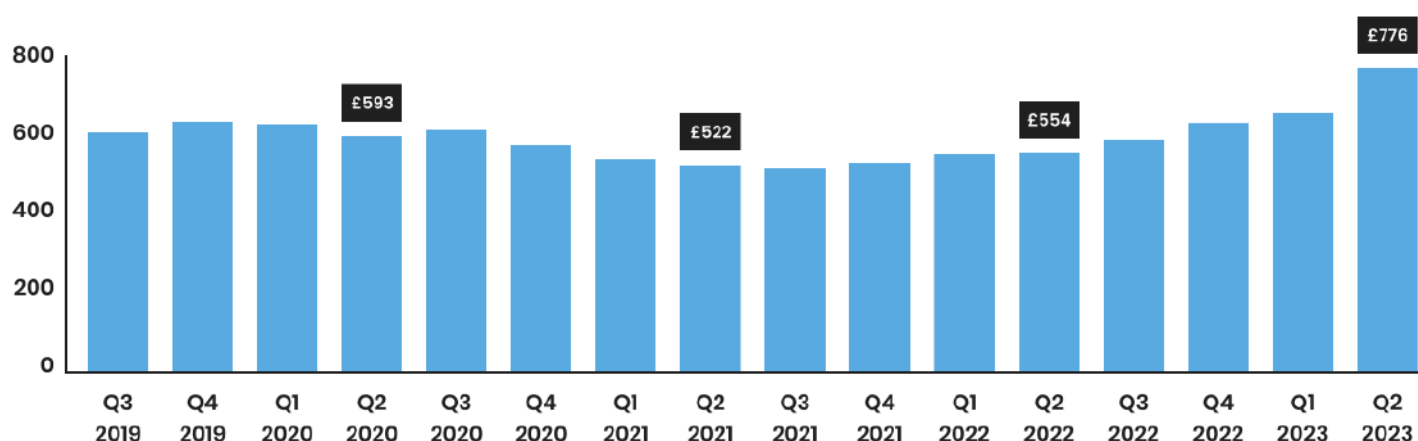
In the current climate we want to help drivers do all they can to make their insurance more affordable. But we know the key to this will be shopping around and seeing what the best price out there is. It's a competitive industry and we're confident that switching will result in savings. This is why we offer a guarantee to beat your renewal, or pay you the difference, plus £20<sup>1</sup>. In this scenario, you don't pay more, and you gain more cash!”

-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 £776, on average



Powered by WTW, the Confused.com car insurance price index reveals the average price of car insurance in the UK is £776. This is for the second quarter of 2023. Prices have increased by £119 (40%) in 12 months and are the highest prices seen since the index began.

Prices have far exceeded pre-Covid figures. During the pandemic, prices peaked at £630 before falling the following quarter. This was largely due to there being fewer drivers on the road and fewer claims made as a result. But as people have returned to normal driving habits and there were more car insurance claims, prices quickly climbed again.

As well as the frequency of claims, the value of claims has increased. Rising inflation costs over the last 18 months have driven up the cost of vehicle repairs, resulting in higher payouts from insurers. In fact, the Association of British Insurers (ABI) reported a 33% rise in the cost of vehicle repairs in the last quarter alone<sup>2</sup>.

# The bigger picture

## How prices have changed

The increase is also likely to be partially as the result of the General Insurance Pricing Practices (GIPP) that came into force in 2021<sup>3</sup>. These regulations from the Financial Conduct Authority (FCA) prevent insurers from overpricing loyal customers. It stipulates that insurers must provide prices for existing customers that are no higher than if they were buying a policy as a new customer. In response, insurers adjusted their pricing, meaning new business prices are likely to have increased.

Further research shows how drivers are still able to save by shopping around. We surveyed 2,000 UK drivers whose car insurance was up for renewal last quarter<sup>4</sup>. The results show that almost 2 in 3 (59%) of those who renewed their policy in the last quarter had a more expensive quote. Their policies cost £52 more than the previous year, on average.

Almost 2 in 3 (64%) of drivers who switched used a price comparison site after getting a more expensive renewal quote. Doing so saved them £63 on their policy, on average. So it's clear that there are still savings to be made, despite the high cost 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 £827 – a 40% (£236) increase compared to last year.

Women are paying £690 for their car insurance, which is £198 (40%) more than last year.

This means the 'gender gap' between male and female drivers stands at £137 which has widened by a further £18 compared to the previous quarter.

Thanks to the EU Gender Directive in 2012, insurance companies can't use a person's gender when calculating insurance prices.<sup>5</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?



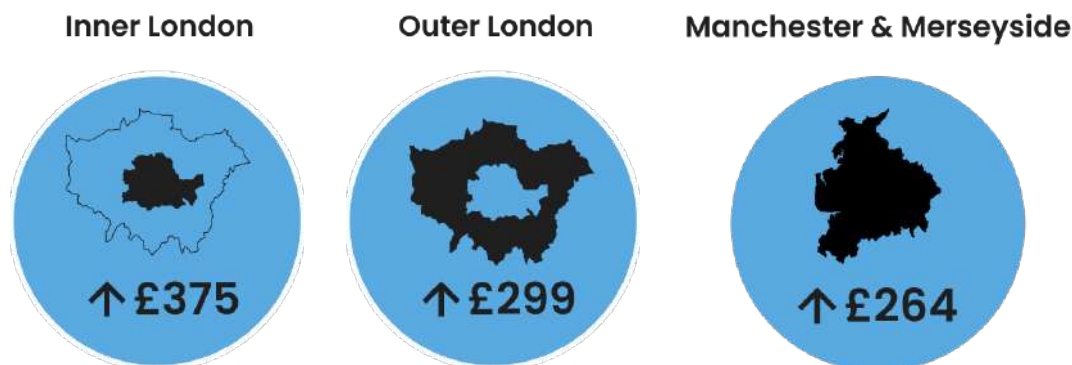
Drivers under 20 are paying more than £2,000 for their car insurance costs, with 18- and 19-year-olds paying some of the highest prices on record.

18-year-olds are paying £2,404 – a 65% (£951) increase in the past 12 months. And 19-year-olds are paying £2,097 – 59% (£823) more than last year.

At the other end of the scale, drivers around retirement age are seeing the lowest prices of all age groups. Drivers aged 69, for example, are paying £413 for their insurance, on average. This is still a 32% (£101) annual increase, though.

# Prices by region

## Which areas have seen the biggest rises?



While prices are increasing for drivers across the UK, some regions are seeing the highest car insurance prices on record.

Those living in Inner London saw their prices rise by £375 (43%) in the last 12 months, bringing their average costs to £1,257.

And drivers in Outer London saw annual increases of £299 (42%) compared to last year. These drivers are paying £1,003, on average. This is the first time since the index began that prices for Outer London have gone above £1,000

Almost all UK regions are seeing their most expensive prices on record. The only exception is Manchester and Merseyside, whose prices were at their highest in Q4 2011. Still, drivers in the region are paying the highest insurance costs outside of London. They're paying £965, on average.

## Expert view

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

//

Car insurance has quickly become one of the biggest expenses for drivers. If prices continue at this rate then there's no doubt drivers could be priced off the road, as they battle with other rising costs too.

"But what we do know is that many drivers were able to save some money when it came to renewal. And shopping around was the key to this. Even if prices were cheaper for them, the price they saw online was still significantly cheaper.

"Although this isn't all drivers can do to save money. We always advise drivers to take a look at the details of their policy and make sure they're accurate before committing to a price. Updating your mileage, or considering additional security could easily bring your price down."



**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. <https://www.confused.com/beat-your-renewal> – terms and conditions apply. Must be a like-for-like policy
2. [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 5 April and 11 April 2023](#)
3. The introduction of the FCA pricing changes came into effect on 1 January 2022, putting a stop to insurers offering both new and renewing customers varying prices on both their car and home insurance. Under the new rulings, insurers must offer drivers the same price they would receive as a new customer buying in the same way, banning what was previously known as a new customer discount. More information: <https://www.fca.org.uk/news/press-releases/fca-confirms-measures-protect-customers-loyalty-penalty-home-motor-insurance-markets>
4. 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 3 July and 6 July 2023
5. 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

**Confused.com press office**

[Chloe.Ostrolenk@confused.com](mailto:Chloe.Ostrolenk@confused.com)

[Bryony.Ranson@confused.com](mailto:Bryony.Ranson@confused.com)

[Katie.Vizard@confused.com](mailto:Katie.Vizard@confused.com)

**For further information**

[www.confused.com/car-insurance/price-index](http://www.confused.com/car-insurance/price-index)

<https://www.confused.com/car-insurance/guides/tips-for-cheaper-car-insurance>

## **About Confused.com**

Launched in 2002, Confused.com was the UK's first digital marketplace for car insurance and is one of the leading brands in the sector, generating over one million quotes per month. It has expanded its range of comparison products over the years to include home insurance, van insurance, motorcycle insurance, and car finance comparison, as well as a number of tools designed to save consumers money.

Confused.com is not a supplier, insurance company or broker. It provides an objective and unbiased service. By using cutting-edge technology, it has developed a series of intelligent web-based solutions that evaluate a number of risk factors to help customers with their decision-making, subsequently finding them great deals on a wide-range of insurance products, financial services, utilities and more. Confused.com's service is based on the most up-to-date information provided by UK suppliers and industry regulators.

# 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

WTW (NASDAQ: WTW) is a leading global advisory, broking and solutions company that helps clients around the world turn risk into a path for growth.

With roots dating to 1828, WTW has 45,000 employees in more than 140 countries and markets. They design and deliver solutions that manage risk, optimise benefits, cultivate talent, and expand the power of capital to protect and strengthen institutions and individuals.

Their unique perspective allows them to see the critical intersections between talent, assets and ideas – the dynamic formula that drives business performance. Together, they unlock potential. Learn more at [wtwco.com](http://wtwco.com)