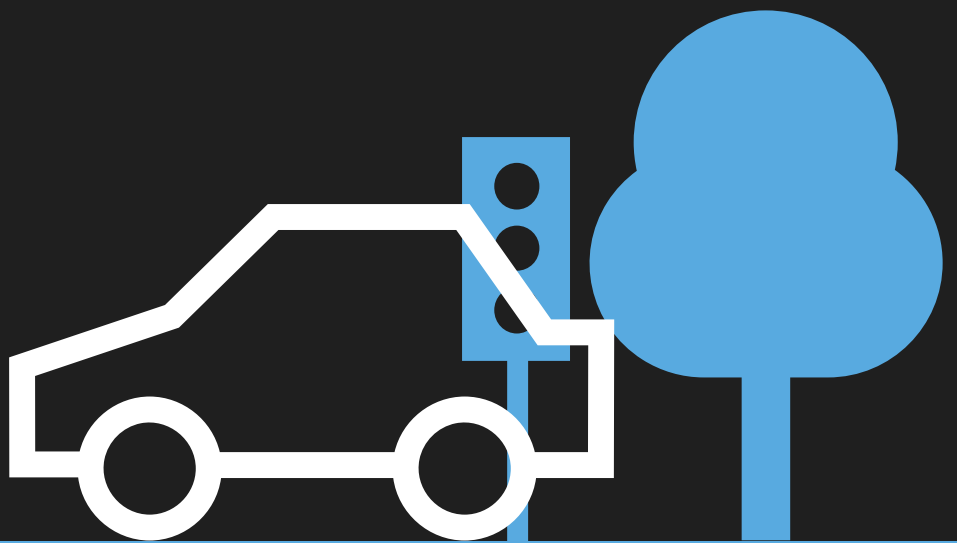




Confused.^{com} car insurance price index

The most comprehensive analysis
of car insurance pricing in the UK

Q4 2023



Executive summary

Car insurance costs at their highest on record after massive 58% annual 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 fourth quarter of 2023 and shows that drivers can expect to pay £995 for their annual car insurance policy, on average.

This is the highest average car insurance cost since the index began. Prices are 58% (£366) higher than they were 12 months ago, and 8% (£71) higher than the previous quarter.

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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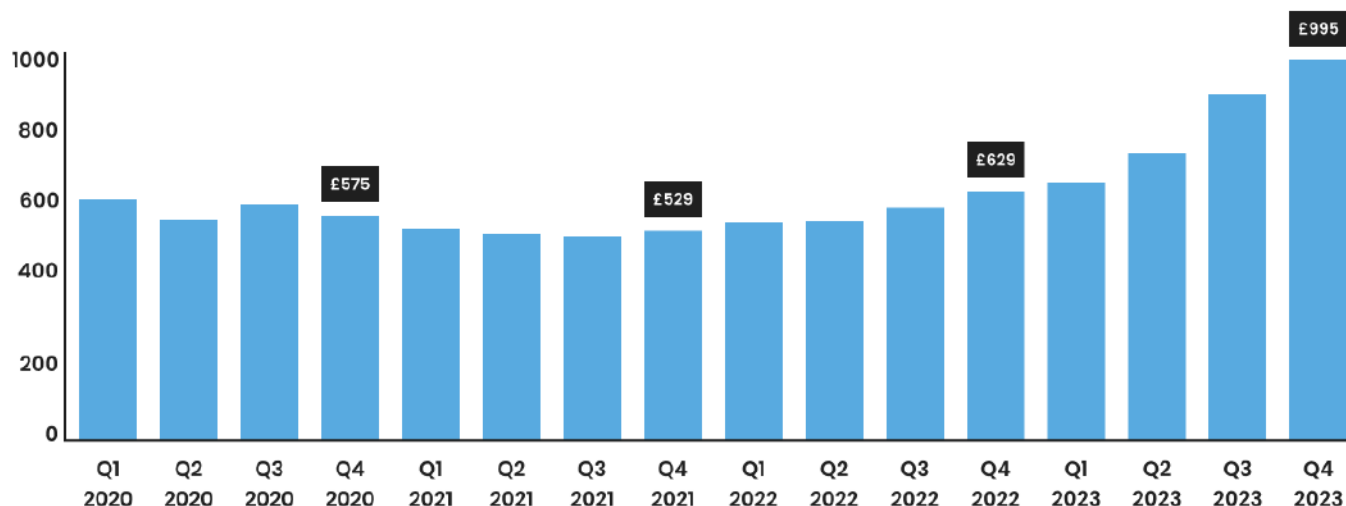
Our aim is to keep helping customers save money, especially in the current climate. That's why switching and saving has never been more crucial, and we guarantee savings can be made. We're so certain that we offer a guarantee to beat your renewal, or pay you the difference, plus £20¹. In this scenario, you not only get the best price, but you also get more cash. So there's nothing to lose and lots to be gained.”

–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 £995, on average



Powered by WTW, the Confused.com car insurance price index reveals the average price of car insurance in the UK is £995. This is for the fourth quarter of 2023. Prices have increased by £366 (58%) in 12 months and are the highest prices seen since the index began.

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.

The bigger picture

How prices have changed

Most cars are using more technology and expensive equipment. Because of this, it's more expensive to replace a car than it has been in the past.

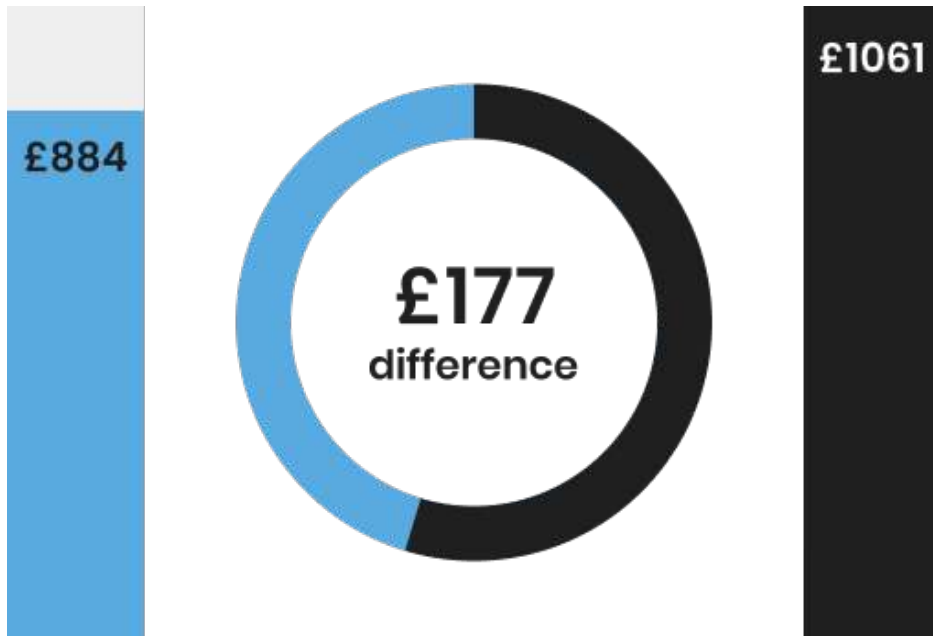
This combined with high inflation in general means that insurers are paying more to cover the cost of claims. And this is affecting the price of car insurance

But drivers can still save by shopping around. In a survey of 2,000 drivers², around 3 in 4 (75%) of those who renewed their policy in the last 3 months saw their premium rise. Their policies cost £87 more than the previous year on average.

Around 37% of these drivers used a comparison site to shop around and took out a new policy. On average, they saved £96 by doing this. So it's clear that drivers can still make a saving, 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 £1,061 on average - a 58% (£389) increase compared to last year.

Women are paying £884 on average for their car insurance, which is £327 (59%) more than last year.

This means the 'gender gap' between male and female drivers stands at £177 which has widened by a further £11 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.³

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?



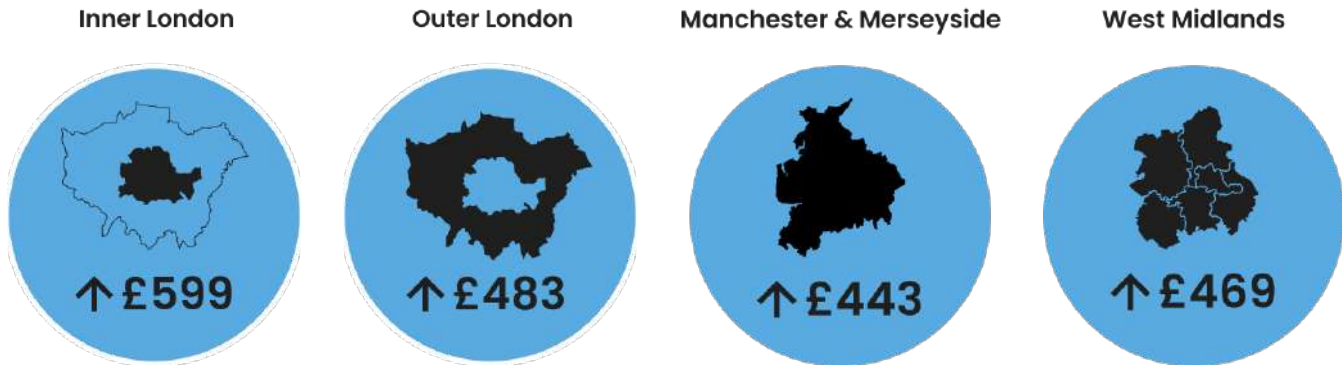
Drivers under 22 are paying more than £2,000 for their car insurance costs on average, with 17- and 18-year-olds paying some of the highest prices on record.

17-year-olds are paying £2,877- a 98% (£1,423) increase in the past 12 months. And 18-year-olds are paying the highest prices of all, at £3,162 - 84% (£1,447) more than last year.

This financial burden isn't only with younger drivers, though, as drivers don't see prices less than £1,000 until they reach 43 years of age, on average.

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 £599 (59%) in the last 12 months, bringing their average costs to £1,607.

And drivers in Outer London saw annual increases of £483 (60%) compared to last year. These drivers are paying £1,291, on average.

Outside of London, drivers in Manchester and Merseyside and West Midlands are seeing some of the steepest increases.

Average car insurance costs in Manchester and Merseyside have increased by £443 (56%) compared to last year. Drivers are paying £1,233 for cover, on average. And the cost of car insurance in the West Midlands is £1,224, on average – £469 (62%) higher than last year.

Expert view

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

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For another consecutive quarter, we've seen some of the highest inflation rates when it comes to car insurance. With prices up on average £71 (8%) in just 3 months, and £366 (58%) in 12 months, drivers are likely to be paying more than ever. So those who haven't yet been affected should be wary of how pricing may affect them at their next renewal.

But there are deals around and drivers can still save money, even if they've noticed their renewal has gone up. And in a time of financial uncertainty, this can be really helpful if you're needing to watch your money more closely than before. So if you're due to renew, consider ways in which you can keep costs down. Whether it's reducing your mileage or improving your car security, these can certainly help. But remember to always be truthful to your insurer, otherwise you risk invalidating your policy."



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 2 and 5 January 2024.
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

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