



# Car insurance price index

The most comprehensive analysis of  
car insurance pricing in the UK

**Quarter 1 - 2019**

# Executive summary

Loyal motorists penalised as car insurance prices drop for new customers

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 three months, it looks at more than six million car insurance quotes per quarter to provide insight and analysis across the market.

The latest index, which covers the first quarter of 2019, shows that UK drivers are now paying £762 on average for an annual car insurance policy. This is down £12, or 1%, over the past three months.

However, according to a nationally representative survey of UK drivers, more than half (55%) of motorists who renewed their car insurance in the first quarter of the year saw their premium go up by £46 when they opened their renewal notice, on average.

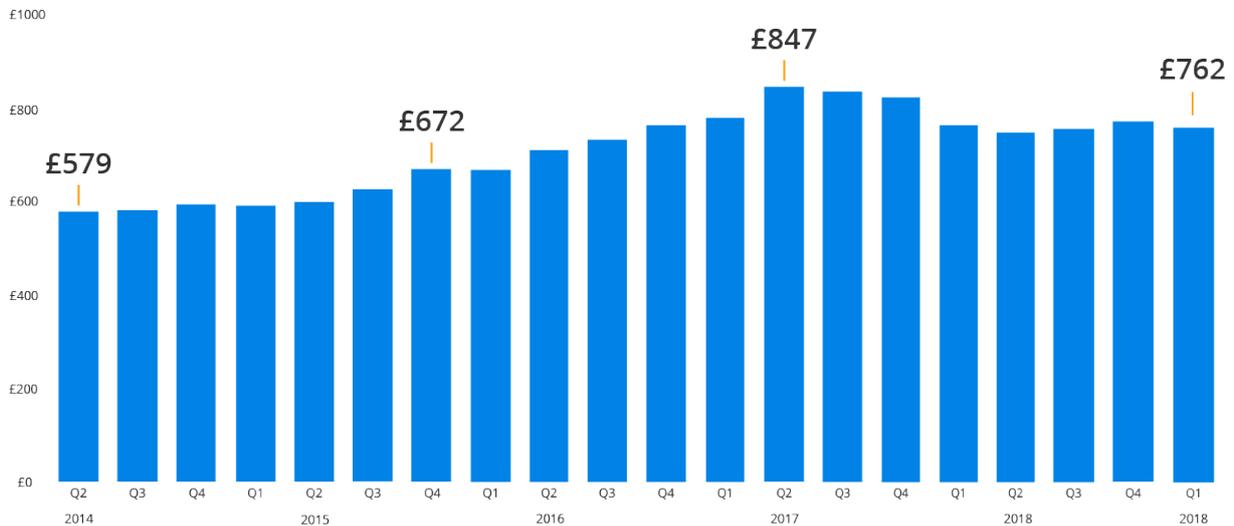
This suggests insurers are failing to reward loyal customers. Although, worryingly, nearly three in five (58%) drivers who renewed their insurance during these months stayed with the same insurer, suggesting they did not seek a better deal elsewhere.

With this in mind, Confused.com is urging drivers to shop around to ensure they're getting the best deal available.

# The overall picture

What were the major changes this time?

## Confused.com price index reveals car insurance now costs £762 on average



The latest Confused.com price index, powered by Willis Towers Watson, reveals the average price of car insurance in the UK is now £762. This is £6 (-1%) less than it was 12 months ago, on average, and £12 (-1%) down on the past quarter.

Despite the drops, some motorists are still missing out on cheaper prices. In particular, loyal motorists are being penalised. More than half (55%) of motorists who renewed their car insurance between January and March this year saw their premium go up by £46, on average. That's according to a nationally representative survey of UK drivers\*.

The figures come in the wake of investigations by the Financial Conduct Authority (FCA) and Competition and Markets Authority (CMA). The watchdogs have revealed that 'loyalty penalties' are being charged to customers who choose to stay with the same insurance provider, rather than shopping around. It's reported this has cost consumers a total of £4.1bn a year.

# The overall picture

What were the major changes this time?

According to the report, consumers typically stay with their car insurance provider for three years. However, it's clear that loyalty doesn't tend to pay. Drivers who switched car insurance providers at their last point of renewal were able to save £81, on average, the research found.

Nearly three in five (58%) drivers who renewed their insurance during the first quarter of the year stayed with the same insurer, Confused.com data shows. With this in mind, drivers are being urged to check their renewal letters. This will remind them how much they paid last year, so they can then shop around to get a cheaper price.

# Price by age

Younger motorists (18-24) benefit most from shopping around



Younger motorists (18-24) saw the biggest savings when shopping around, according to the research. They saved £169 by switching at their last point of renewal, on average.

However, the price index shows younger drivers are still being stung by the cost of their car insurance. In particular, 18-year-olds have the most expensive car insurance costs, paying £2,081, on average. This is following a £98 (+5%) price increase over the past quarter, on average - the steepest quarterly increase of any age group.

Similarly, prices for 19-year-olds increased at a rapid rate, adding an extra £61 (+3%) on to the average premium, which now costs £1,914. This acceleration in prices means 17-year-old drivers are paying less than both 18- and 19-year-olds for the first time on record. Drivers of this age pay £1,905, in comparison.

# Prices by region

What's going on regionally?

## Central Scotland



**£663**  
**↑ 2%**

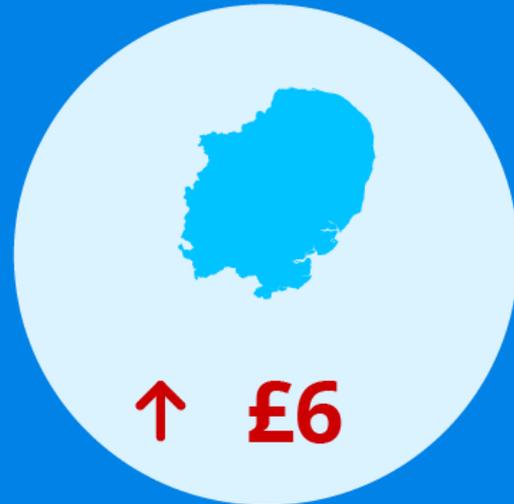
While prices across the UK have generally dropped slightly over the past year, some unlucky motorists have seen some small increases. These include motorists in Central Scotland, who are among the few to have seen an increase compared to 12 months ago. The average price of car insurance in the region climbed by £10 (+2%) year-on-year to £663.

## What's going on regionally?

### South East



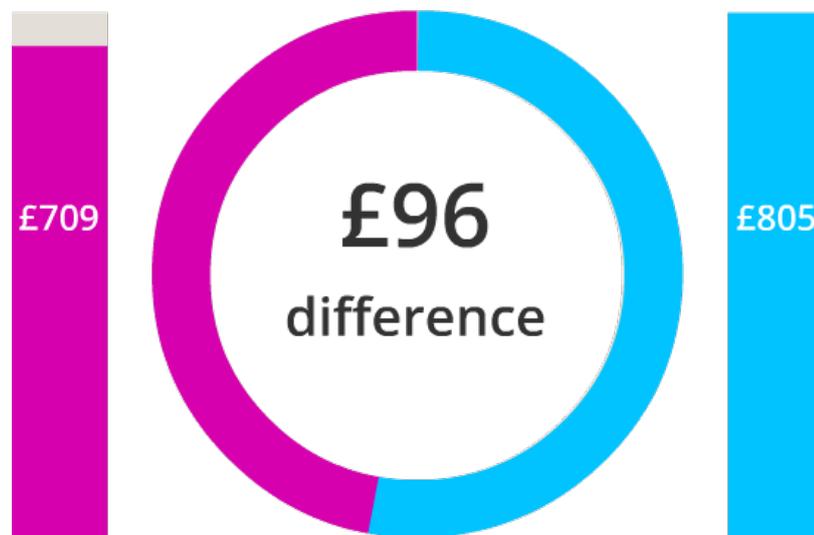
### East of England



Similarly, prices in the South East of England climbed by £8 (+1%) year-on-year. And it's the only region to have seen any price increase over the past quarter too (£1/+0%). Meanwhile, in the East of England, the average cost of car insurance stands at £654. This is up £6 (+1%) on the previous year.

# Prices by gender

Battle of the sexes



It seems female drivers are less loyal to their car insurance provider and are more likely to switch more regularly than men. According to the research, female motorists are only likely to stay with their car insurer for 2.9 years, compared to men, who will switch after 3.3 years, on average.

This is perhaps one reason why female drivers pay £96 less for their car insurance than men, suggesting they're better at seeking out an improved deal. According to Confused.com's car insurance price index, female drivers pay £709 for their car insurance, on average, compared to £805 paid by men.

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. However, it's unclear whether these laws will remain post-Brexit, which could result in the gap widening to the same scale seen before the EU Gender Directive was introduced, where men were paying up to £121 more for their car insurance (Q4 2011).

# Expert view

Loyal motorists penalised as car insurance prices drop for new customers

“Car insurance is just one of many ‘invisi-bills’ people resent forking out for. But it’s clear many drivers become overwhelmed when their renewal date comes around. As a result they aren’t taking the opportunity to shop around and find a better deal.

“Recent investigations by the CMA and FCA have found consumers are being overcharged by a collective £4.1bn just by renewing with their current provider. This concerns me because I know there are savings to be made, especially with car insurance.

“There is always another insurer out there willing to offer you a better deal, even if your year-on-year renewal price is cheaper. At Confused.com, we are so certain of this that we’re offering to beat customers’ renewal quotes, or give them the difference, plus £20\*\*.

“People shouldn’t be paying more than they have to. Drivers should check their renewal letter, find out how much they paid last year, then shop around to get a cheaper price.”

# Note to editors

More than six 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.

\* Statistics obtained from a nationally representative survey of 2,000 UK motorists who rent or own a house, carried out by One Poll on behalf of Confused.com. The survey ran between 21/12/18 and 03/01/19.

\*\* <https://www.confused.com/beat-your-renewal>. Must be a like-for-like policy. Terms and conditions apply.

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## 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 five quotes received on Confused.com. The OFT closed on the 1st April 2014 and the commitments are now governed by The Competition and Markets Authority (CMA).**

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