



Confused.com

car insurance price index

The most comprehensive analysis of
car insurance pricing in the UK

Quarter 2 – 2022

Executive summary

Motorists see the biggest price drops in almost six years – but drivers will only see savings if they shop around.

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 second quarter of 2022, shows that UK drivers can now expect to pay £554 on average for an annual car insurance policy.

That's a £32 (6%) rise in comparison with this time last year. It's the steepest increase in car insurance prices since the COVID-19 crisis.

The data shows that prices are generally increasing for drivers, but many loyal customers are taking the bigger blow⁽¹⁾. That's because their renewal has increased more than the price of a new policy, on average.

As the cost of living is on the rise, this could be a worry for drivers who may be feeling the financial hit elsewhere.

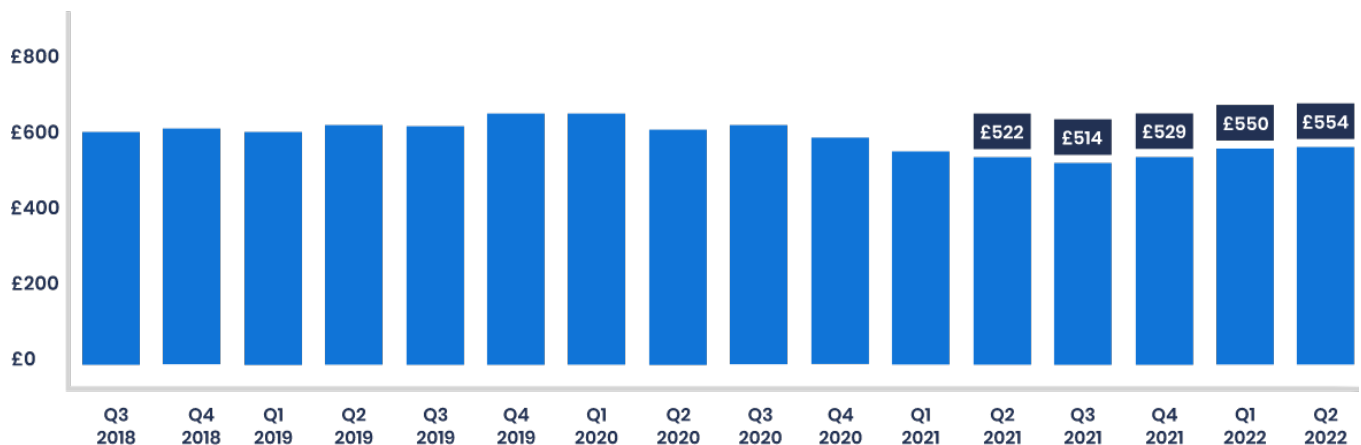
Louise O'Shea, Confused.com's Chief Executive Officer, comments: "With millions stung by the current cost of living, it can be disheartening to see that car insurance prices are also on the rise. As the latest data shows, we're seeing the highest spike in prices since before the pandemic."

Yet there are lower prices out there. Confused.com is so confident that drivers can save money by shopping around that we're making a valuable promise to drivers. We guarantee to beat drivers' car insurance renewal prices, or give them the difference, plus £20⁽²⁾.

The bigger picture

How prices have changed

The latest Confused.com price index reveals car insurance now costs **£554** on average



Powered by Willis Towers Watson, the Confused.com price index for the second quarter of 2022 reveals the average price of car insurance in the UK is now £554. This is £32 higher compared to this time last year, on average. While this may come as bad news to drivers, further research by Confused.com shows that loyal drivers could be paying more by choosing to remain with their renewal price. A survey of 2,000 UK drivers⁽³⁾ found that almost half (45%) of those who received their renewal in the past quarter saw their price increase year-on-year by £41, on average.

This is despite the fact that 1 in 10 (10%) of drivers who have renewed their cover since January 2022 said they believed that prices wouldn't increase, following Financial Conduct Authority (FCA) changes earlier this year⁽⁴⁾. The FCA changes have stopped insurers pricing new and renewing customers differently. But prices will still reflect any increases in the average cost of car insurance across the UK.

The data shows that drivers could still save money by shopping around and taking out a new policy. In fact, those who shopped around after receiving a more expensive renewal price saved £54, on average, after using a price comparison site and switching insurers.

The bigger picture

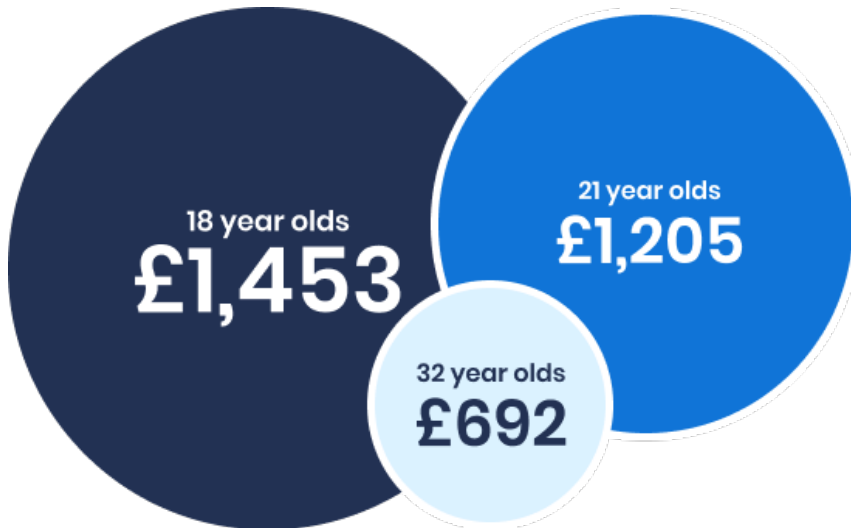
What's new this quarter?

As Louise O'Shea, CEO at Confused.com, says: "It's clear from research that renewal prices are often more expensive, and it can be easy to accept a higher price if it doesn't look too bad given the expectation that everything is increasing at the moment. But please don't do this. You can pay less!"

With the cost of living crisis, it's more important than ever before for drivers to shop around and find a competitive price at renewal.

Price by age

Younger or older, who pays more?



While prices are increasing for most of the UK, there are also some drivers who will see a cheaper price when they shop around.

In particular, 32-year-olds are now paying £21 (3%) less compared to drivers of the same age 12 months ago. They are now paying £692, on average. This is despite prices increasing by £46 (7%) over the year.

Yet drivers in their early 20s aren't so lucky. Some are paying almost £100 more compared to 12 months ago. In particular, 21-year-olds are paying £98 (8%) more year-on-year, with their average premium now an eye-watering £1,205.

The drivers facing the highest prices are 18-year-olds, who fork out a staggering £1,453, on average. According to the data, prices fall below £1,000 once drivers reach the age of 24.

Prices by region

North or south, where's the most expensive?

The price a driver pays will vary depending on where they live, with some drivers paying more than double what others are paying.

Inner London



Northern Ireland



Inner London is still the most expensive area in the UK for car insurance, where motorists are now paying £882. The unlucky drivers here have seen the biggest price rise of the quarter, with a £74 (9%) increase year-on-year. Another region seeing rising prices is Northern Ireland, where premiums have increased by £64 (12%) to £594, on average.

Prices by region

Where have prices risen the most?

Outer London



South West



There have been similar rises across most areas of the country. In Outer London, for instance, year-on-year costs increased by £53 (8%) to £704, while drivers in the South West are now paying £373, on average, which is a rise of £30 (9%).

Prices by gender

Males or females, who's paying the most?



The data shows that it's men who are paying out more for their insurance, by around £100, on average.

Male drivers typically pay £591 for their cover, while women pay £492 for their cover, on average.

Insurers cannot calculate insurance prices based on a person's gender, according to the stipulations of the EU Gender Directive(5).

However, men normally end up with larger premiums. The reason is that men tend to choose more expensive cars with bigger engines and more technology. In turn, that means that if they have an accident then their insurance claim will tend to be for a higher amount.

Expert view

Louise O'Shea, CEO at Confused.com, says:



“The car insurance market is very competitive right now, which is the perfect time to be savvy and shop around for a better deal. Taking some time to research the best available options can really pay off. We know there’s an insurer out there who can offer you a better price, which is why we guarantee to beat your renewal(6). And if we can’t, we’ll give you the difference, plus £20. So, if anything, you will make money!”

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.

(1 & 3) 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 4 July and 7 July 2022.

(2 & 6) Terms & conditions apply. Must be a like-for-like policy. <https://www.confused.com/beat-your-renewal/terms-and-conditions-car-insurance>

(4) <https://www.fca.org.uk/news/press-releases/fca-confirms-measures-protect-customers-loyalty-penalty-home-motor-insurance-markets>

(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:

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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.

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

Media information

About Willis Towers Watson:

Willis Towers Watson (NASDAQ: WLTW) 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, Willis Towers Watson has 45,000 employees in more than 140 countries and markets. We design and deliver solutions that manage risk, optimize benefits, cultivate talent, and expand the power of capital to protect and strengthen institutions and individuals. Our unique perspective allows us to see the critical intersections between talent, assets and ideas – the dynamic formula that drives business performance. Together, we unlock potential. Learn more at willistowerswatson.com.