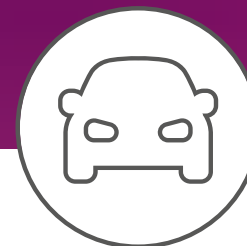


# CAR

## insurance price index

SEPTEMBER 2023






# The car insurance price index

The Consumer Intelligence Car Insurance Price Index is the independent authoritative source of price movements in the car insurance market, compiled using real customer quotes from price comparison websites (PCWs) and key direct providers.

The data is used by the Office for National Statistics, regulators and insurance providers as the definitive benchmark of how price is changing for consumers.

## Summary

	<b>Quoted car insurance premiums have increased 61% in the 12 months to the end of August setting a new record for the biggest annual increase since Consumer Intelligence started tracking quotes in October 2013</b>
	<b>In August 2023, 52.8% of consumers were able to source a car insurance quote for less than £750 from the PCWs, this is down from 69.4% six months ago (Feb23)</b>
	<b>Telematics providers continue to become less competitive accounting for only 17% of rank one to five quotes compared with 21% in May 2023</b>

## Meet our pricing expert



**Max Thompson**  
Insurance Insight Manager

Max has over 10 years' insurance industry experience, having held roles across life and general insurance. Committed to professional development, he completed the CII's Advanced Diploma in Insurance in 2017. As Insurance Insight Manager, Max's expert analysis and storytelling provides high quality insight to help insurers see the world through the eyes of their customers.

## Methodology and definitions

For each risk, common to consecutive months, the variation is calculated from the average of the Top 5 cheapest premiums returned across the PCWs and key directs in the previous month to the average of the Top 5 in the current month (regardless of which brands provided these quotes).

The Overall Market Top 5 monthly variation is calculated by averaging across all these risk level Top 5 variations for common risks run in both months.

The monthly figures are concatenated up to produce the trended price index from a starting point of 100% in the base month.

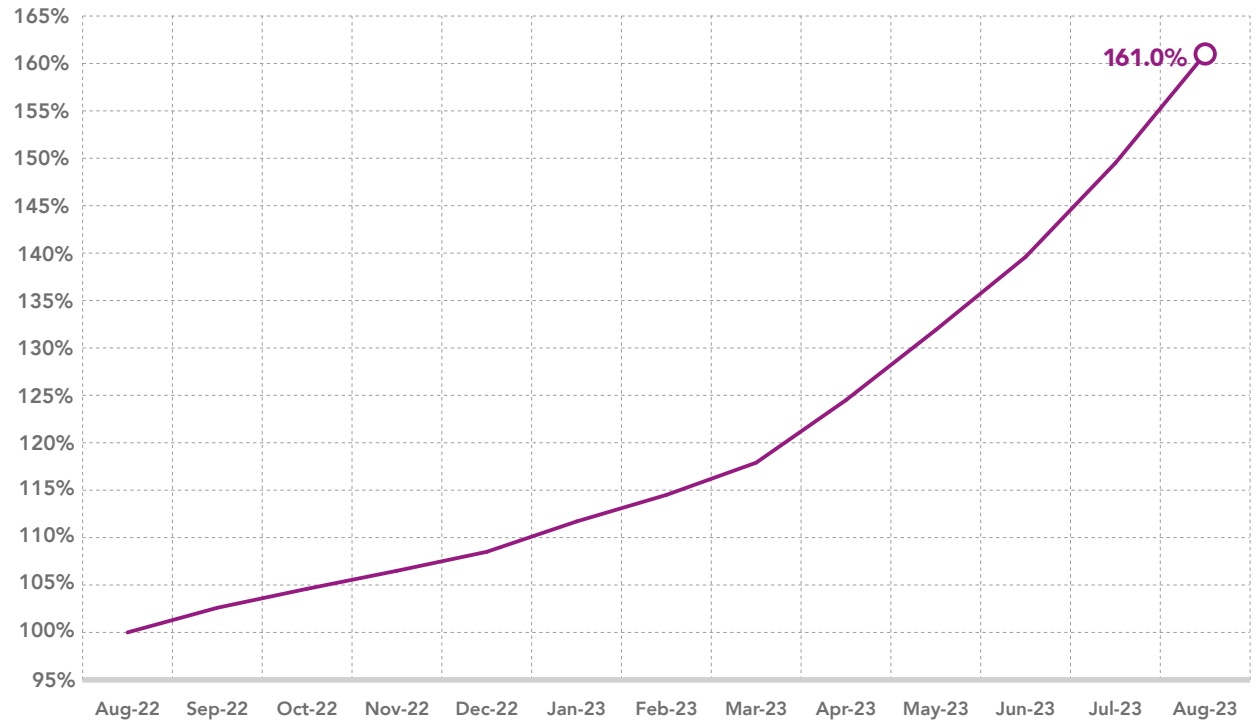
## The numbers

Quoted car insurance premiums continue to race away with the most competitive new business quotes climbing 61% in the past 12 months– the largest annual rise since Consumer Intelligence first started tracking premiums in October 2013. In the three months to the end of August, the five cheapest premiums surged by 22%, which is the largest quarterly increase on record for Consumer Intelligence’s Car Insurance Index beating the previous high of 15.7% set in the previous three months.

*“Motorists of all ages have seen new business quotes soar over the last year and many will likely be feeling the pinch in their household budgets against a backdrop of other rising costs of living,”* says Max Thompson, Insurance Insight Manager at Consumer Intelligence.

*“Competition from telematics has reduced for a second consecutive quarter. This drop-back in telematics delivering competitive quotes has likely triggered the sharper increases in competitive premiums seen this quarter, as telematics quotes are usually significantly cheaper than traditional quotes,”* adds Thompson.

One year



# 53%

Only 53% of consumers were able to source a PCW car insurance quote for less than £750 in Aug 2023

## Long-term view

Average overall quoted premiums have risen 102.9% - more than doubled - since October 2013 when Consumer Intelligence first started collecting data.

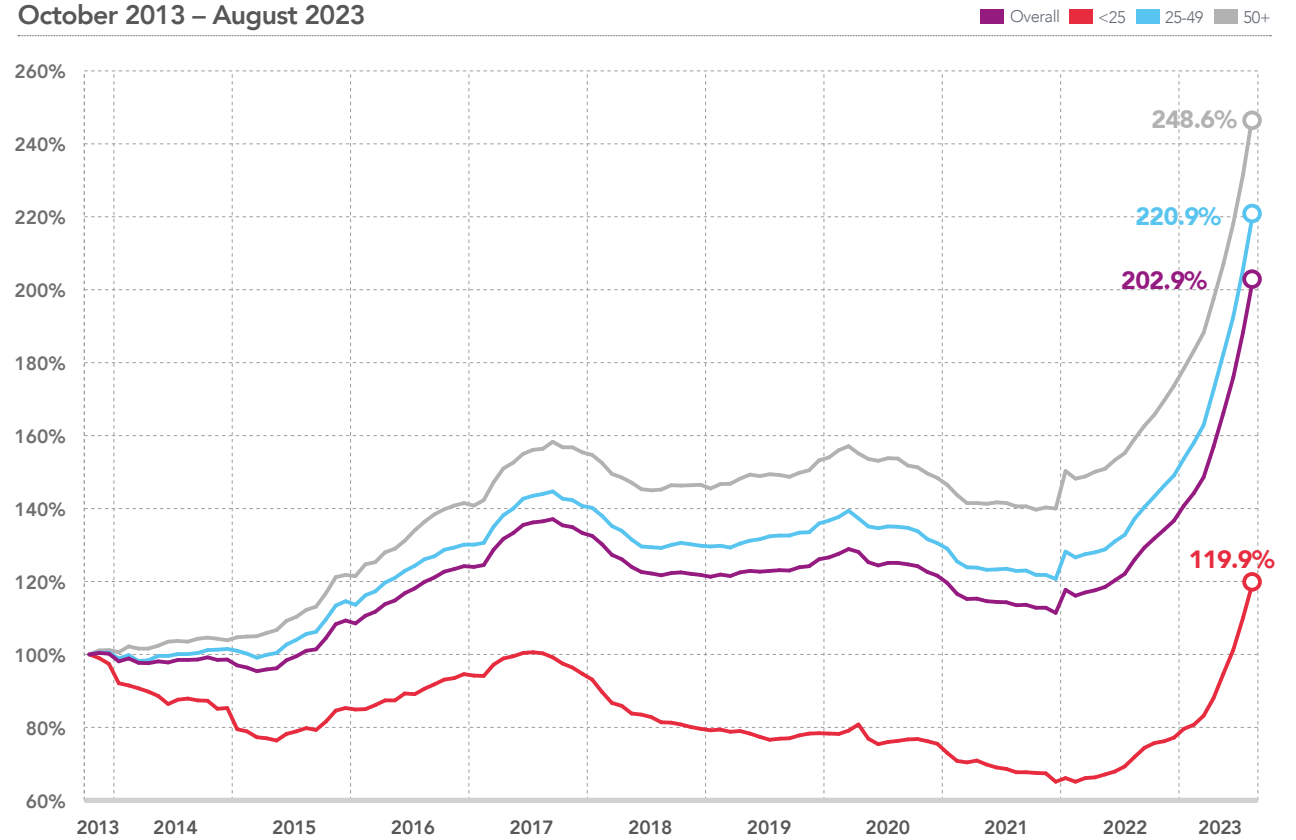
Quoted premiums are at their highest levels since our records began with 66.2% of the rise recorded since December 2022.



# +102.9%

Average quoted premiums  
have increased 102.9%  
since October 2013

October 2013 – August 2023



## Age differences

The over-50s have seen the lowest increases in quoted premiums in the past 12 months but are still facing rises of 56.3%.

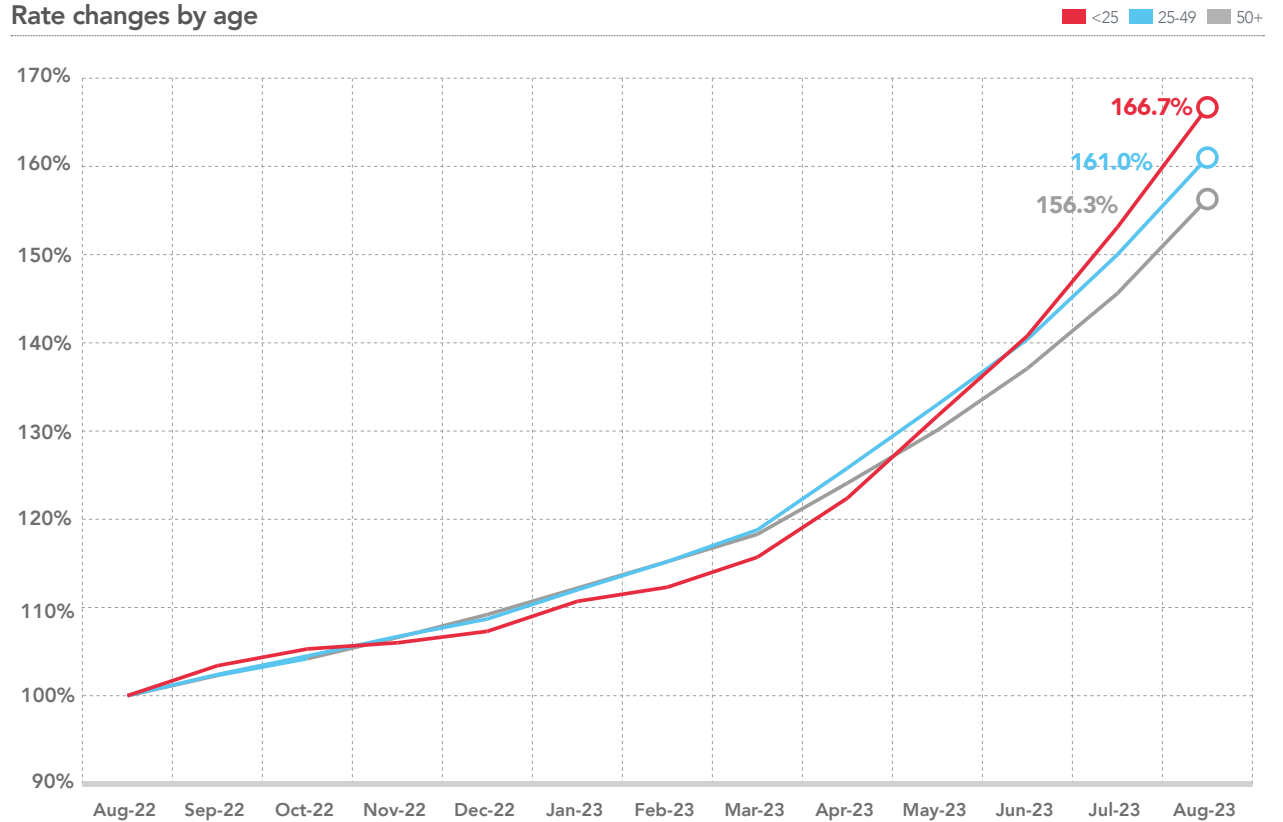
The under-25s have experienced the biggest increases in quoted premiums at 66.7% while for those aged between 25 and 49 quoted premiums have risen 61% since August 2022.



# +66.7%

Average quoted premiums  
have increased 66.7% for  
under-25s since August 2022

Rate changes by age



## Telematics

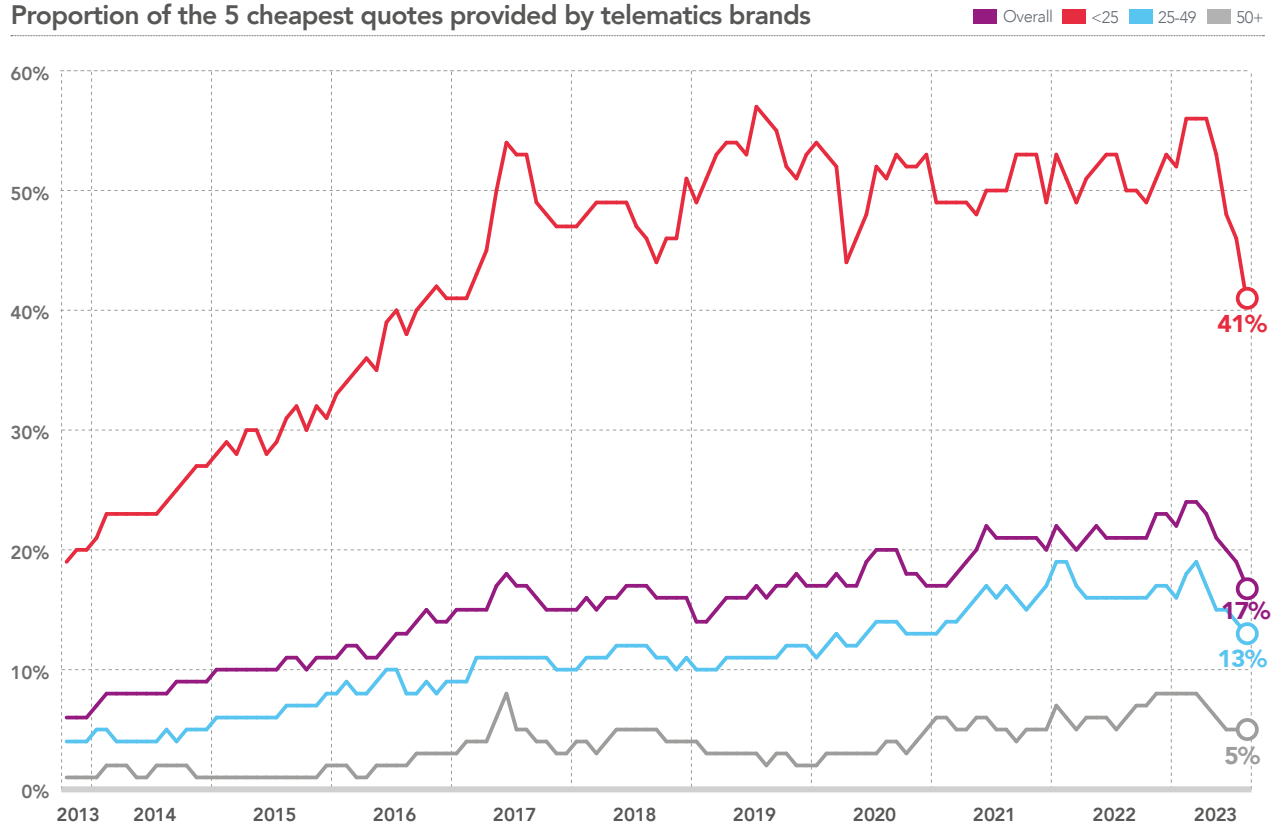
The proportion of the rank one to five quotes dropped to 17% in the three months to August compared with 21% in three months to May and its peak of 24% achieved in three months to February.

That has been particularly the case for the under-25s where telematics now make up only 41% of the rank one to five quotes after a 12% fall from 53% previously.

*"This is a six-year low for the proportion of young driver competitive PCW quotes being supplied by telematics providers taking them to February 2017 levels. Smaller drops of one to two percentage points were seen in the telematics presence in other age segments too,"* says Thompson.

*"Particular changes which help explain the drop include Hastings Direct YouDrive, which was a market leader for rank one to five share at the start of the year particularly in the 20 to 24-year-old segment increasing premiums and QuoteMeHappy Connect, a telematics brand which only quoted ages 17-29, exited towards the end of July 2023,"* adds Thompson.

Proportion of the 5 cheapest quotes provided by telematics brands



17%

of the top five cheapest quotes are now from telematics providers

## Regional differences

Average quoted premiums have risen the most for drivers in London, the West Midlands and the South East respectively with increases of 69.5%, 64.4% and 64.2% respectively.

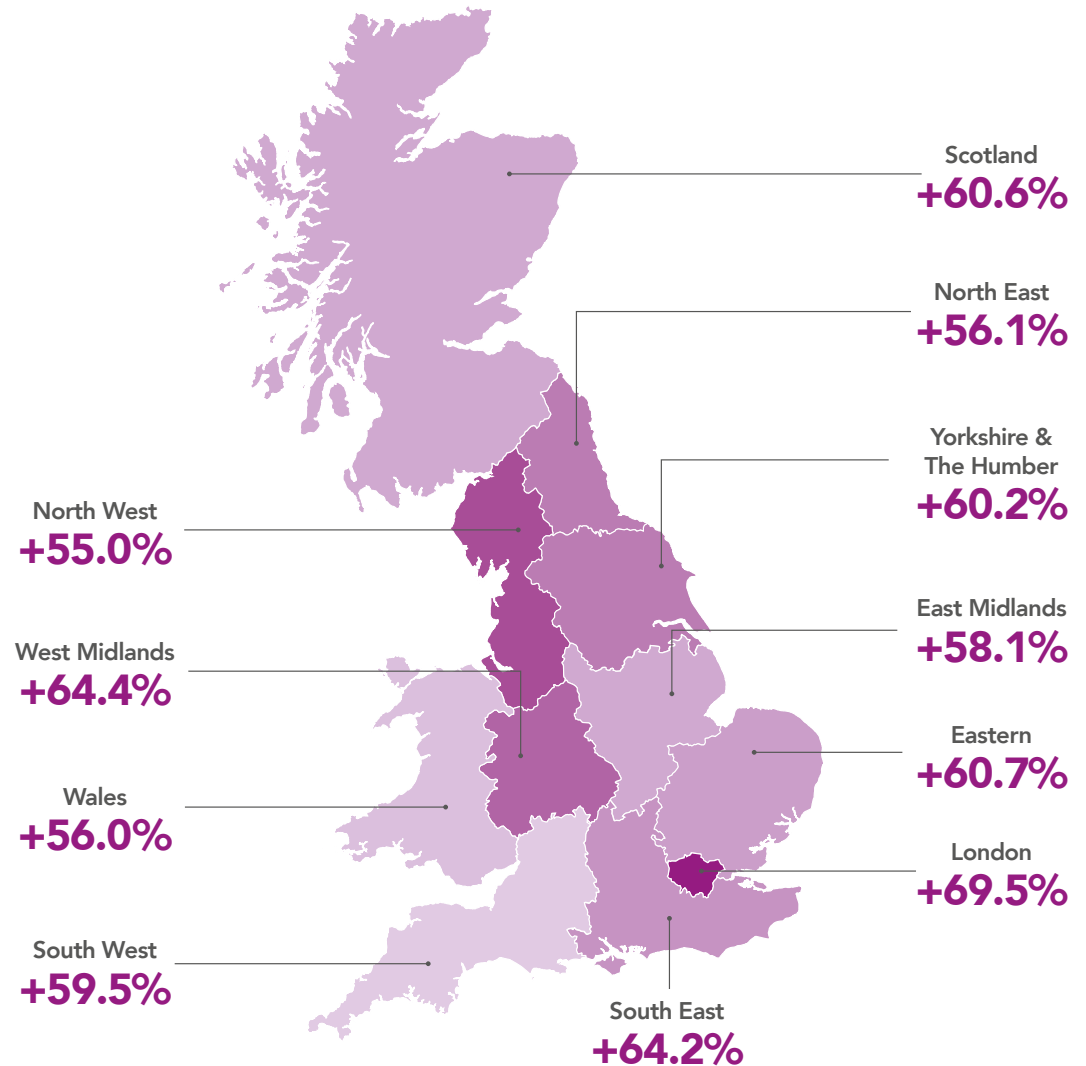
However all regions are experiencing huge increases in quoted premiums with the North West recording the lowest and still facing a rise of more than a half at 55%



# +69.5%

Motorists in London have seen their premiums rise by 69.5% in the last 12 months

Premiums across the UK over the last 12 months



## How do you compare?

Our quarterly price index shows only part of the picture, here at Consumer Intelligence we collect the granular detail that sits behind the average figures contained in this report.

To find out more about how your company ranks or if you would like help benchmarking your products and pricing across your target customer segments to inform your acquisition strategy then contact us at [insights@consumerintelligence.com](mailto:insights@consumerintelligence.com)

