

VAN

insurance price index

JANUARY 2023






The van insurance price index

The Consumer Intelligence Van Insurance Price Index is the independent authoritative source of price movements in the van 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

	<p>Despite falling 3.3% in the last quarter, the cost of van insurance has increased 15.5% in the last 12 months, according to the latest data from Consumer Intelligence.</p>
£1,129	<p>The average quoted cost of van insurance in the UK now stands at £1,129.</p>
	<p>Drivers using their vans for business (£1,151) are now paying slightly higher premiums than those who use their vans as a car substitute (£1,064).</p>
	<p>A typical annual policy for a van driver under the age of 25 now costs £3,153. For those aged 25-49 it's £863. While for the over-50s, van insurance is now £691.</p>

Meet our pricing expert



Harriet Devonald
Product Manager

Harriet Devonald is Consumer Intelligence's product manager for general insurance pricing.

With a decade of insurance industry experience behind her, Harriet has a deep understanding of the power data and insights hold when it comes to informed decision making. She is also passionate about developing products that exceed client expectations.

Methodology and definitions

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

The overall market top five monthly variation is calculated by averaging across all these risk level top five 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

Despite van insurance premiums falling 3.3% in the last quarter, the overall direction of travel remains firmly upwards – with an annual policy now 15.5% more expensive than a year ago.

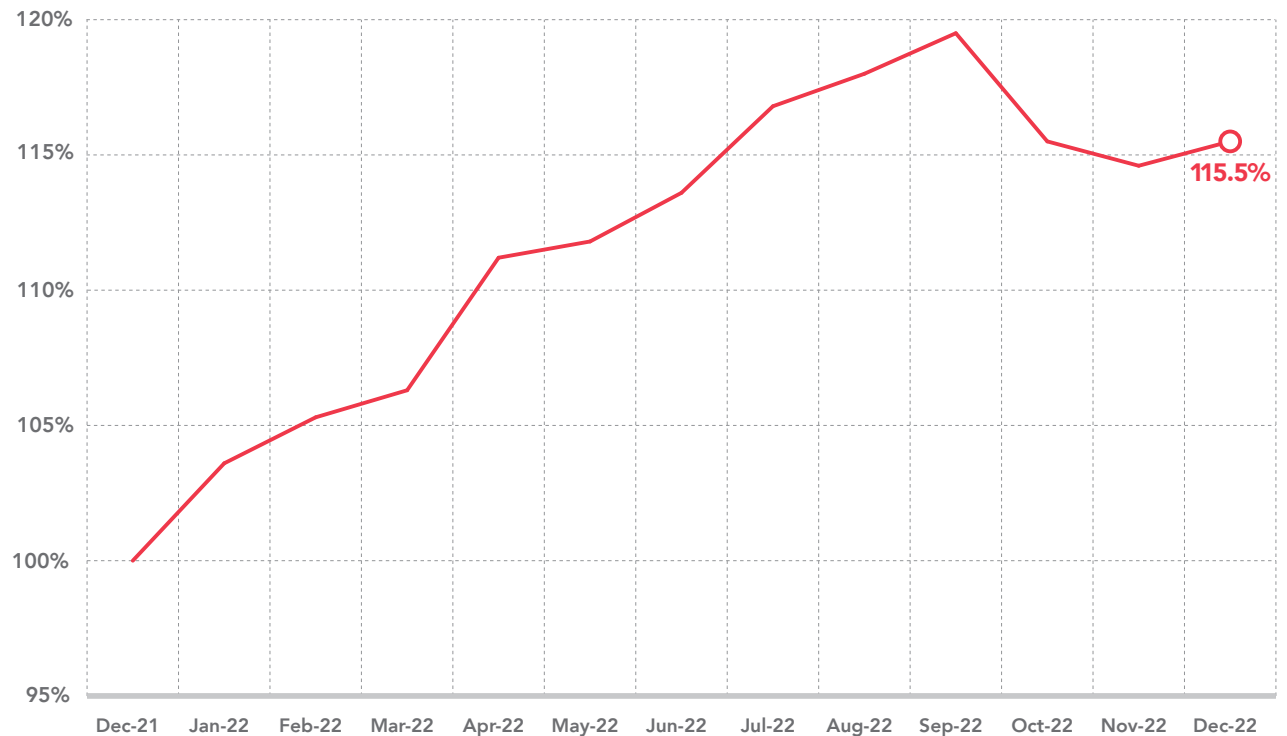
According to the latest Consumer Intelligence data, the average cost of van insurance in the UK is £1,129.

The Financial Conduct Authority's crackdown on the practice of "price walking" back in January 2022 – whereby insurers can now no longer quote existing policyholders a higher price to renew their motor insurance than they would offer a new customer – has led to higher renewal costs for all van drivers in the 12 months since the regulation was first introduced.

"Much like the motor insurance market, van insurance is not exempt from the inflation seen in the UK economy," says Harriet Devonald, product manager at Consumer Intelligence. *"With the cost-of-living crisis and claims costs increasing, insurers are raising premiums to cover costs, with overall market premiums up 30.8% year on year.*

"The cost of claims is increasing partly because of the impact of inflation on parts, labour and replacement vehicles but also because more traffic is on the road after the pandemic lull," she added.

One year



£1,129

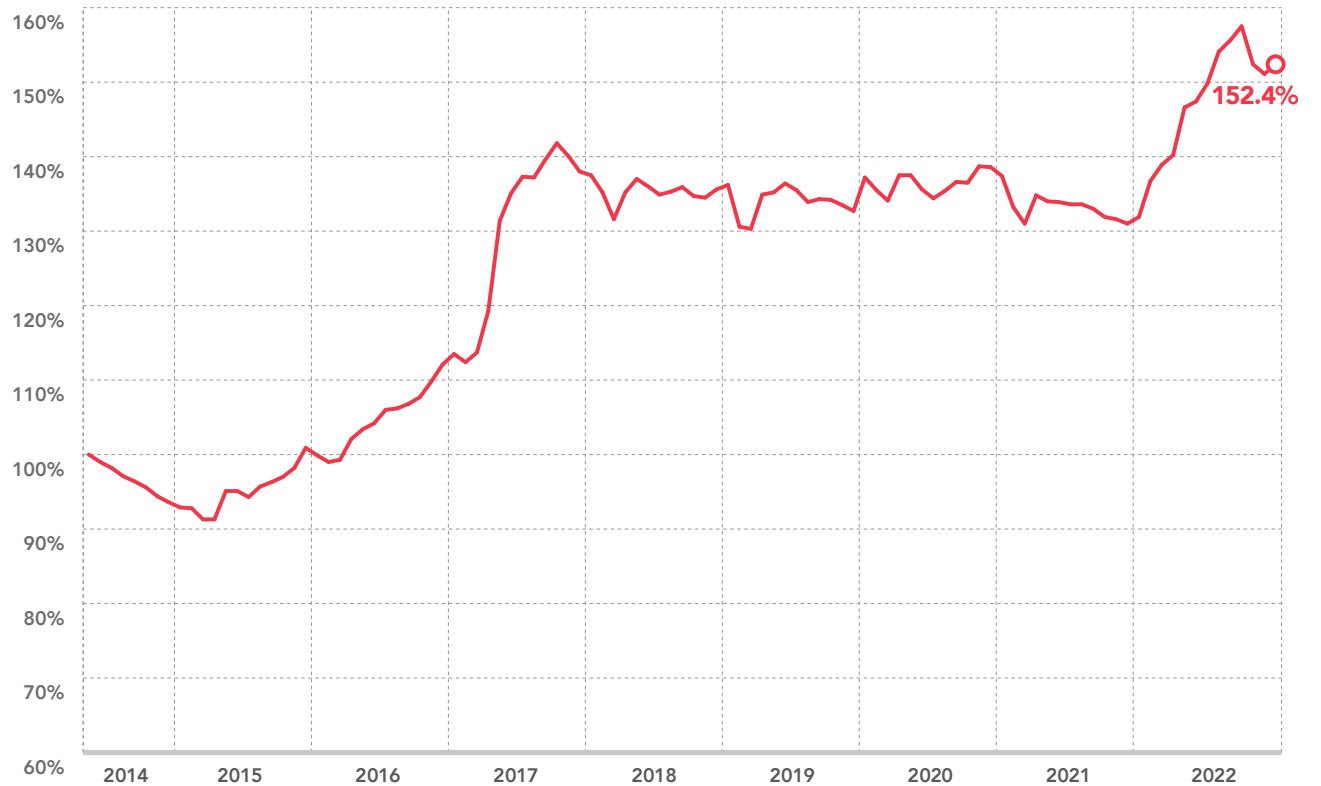
The average annual policy for a UK van driver now stands at £1,129.

Long-term view

Average premiums have now increased 52.4% since April 2014 when Consumer Intelligence first started collecting data.

Prices have soared in recent months – peaking in September 2022 – and now sit just 5% below this high-water mark.

April 2014 - December 2022



52.4%

Average van premiums have increased 52.4% since April 2014

Type of cover

Drivers using their vans for business (£1,151) are now paying slightly higher annual premiums than those who use their vehicles as a car substitute (£1,064) under 'social, domestic and pleasure' (SDP) policies.

Insurance premiums for business users tend to be more expensive as they usually spend more time on the road and their vehicles are more technologically advanced – as well as claims payouts being higher as their insurance may also have to cover for lost business because of owners not being able to work.

Van insurance premiums for business users have risen 15.9% in the last 12 months, with SDP drivers increasing a broadly similar 14.3%.



Average
SDP premium

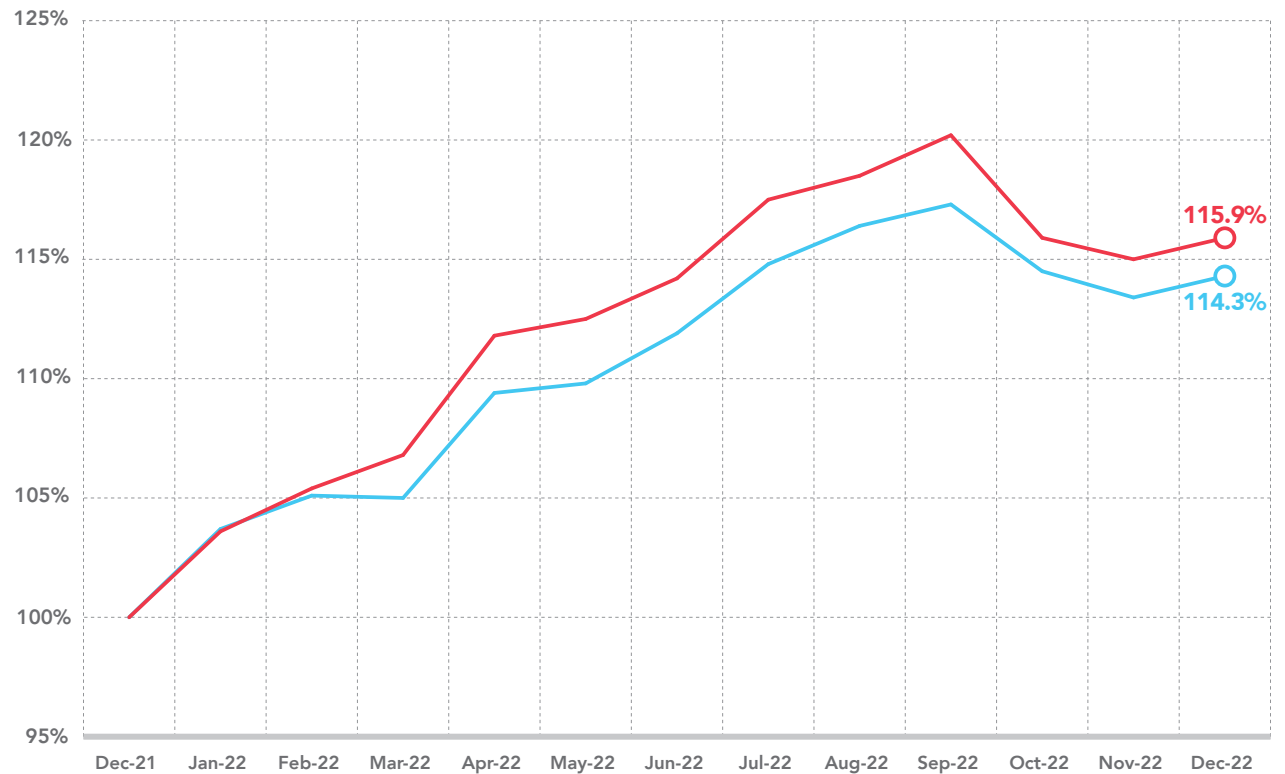
£1,064

Average carriage
of own goods
premium

£1,151

Type of cover

■ Carriage of own goods ■ SDP



Age gaps

Older van drivers continue to attract the biggest increases to their van insurance policies – with the over-50s seeing prices surge 20.4% in the last 12 months alone.

Our other age demographics are not immune to these double-digit yearly increases either – with prices advancing 15.4% for van drivers aged 25-49, and rises of 11.4% for younger drivers aged under 25.

A typical annual policy for a van driver under the age of 25 remains prohibitively high at £3,153. For those aged 25-49 premiums are now, on average, £863. While for the over-50s, an annual policy costs just £691.

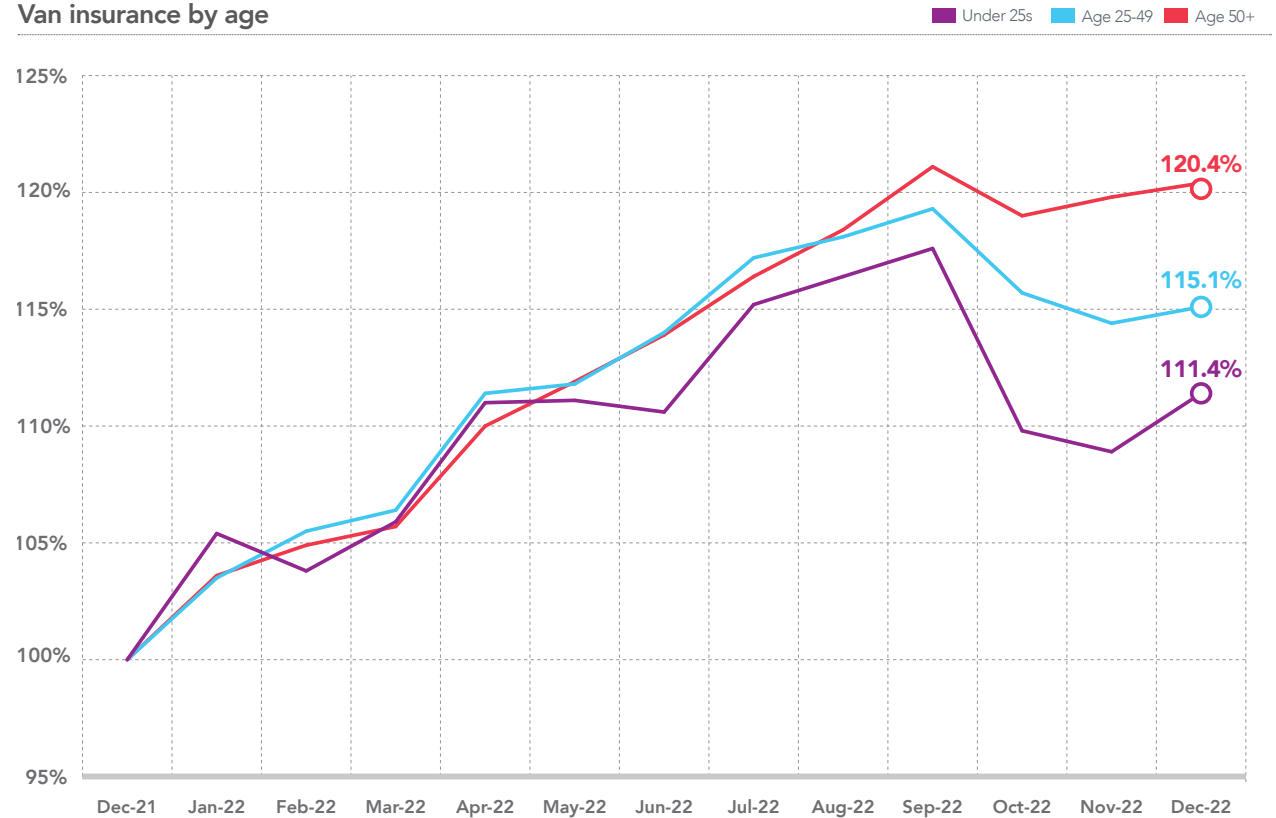


£3,153 Average premium for drivers under 25

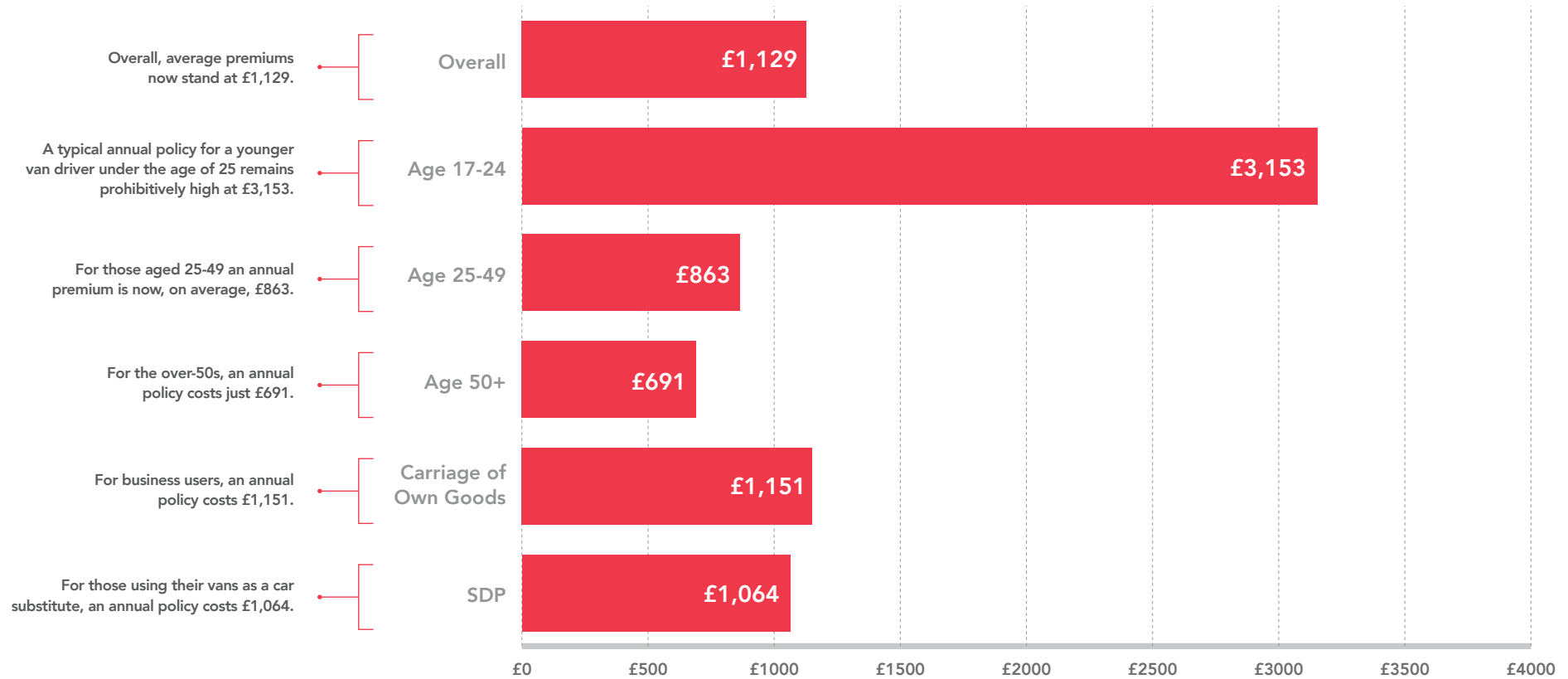
£863 Average premium for drivers 25-49

£691 Average premium for drivers aged 50+

Van insurance by age



Premiums at a glance



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

