

Van insurance price index

JULY 2022






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>Van insurance is up 13.6% since the start of the year, according to the latest data from Consumer Intelligence.</p>
	<p>The increases are down to spiralling claims inflation, as well as new rules introduced by the Financial Conduct Authority in January to tackle the practice of "price walking".</p>
£1,156	<p>In the UK, the average quoted cost of van insurance is now £1,156.</p>
	<p>Drivers using their vans as a car substitute (£1,175) are now paying slightly more than those who use their vans for business (£1,150).</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

Van insurance has now increased 13.6% since the start of the year – with the more recent price jumps attributed to spiralling inflation, as well as the earlier increases being pinned on the introduction in January of new rules to tackle the practice of “price walking”.

“Claims inflation is certainly feeding through to customers’ premiums – the increased cost of parts and labour, as well as supply chain issues,” says Harriet Devonald, product manager at Consumer Intelligence. *“Most insurers also increased their prices significantly in January as a result of the new rules to ban price walking, which were brought in by the Financial Conduct Authority.”*

The FCA rules mean insurers are no longer able to offer new customers enticingly low premiums to win their business – with renewing customers only allowed access to the same deals as a new customer.

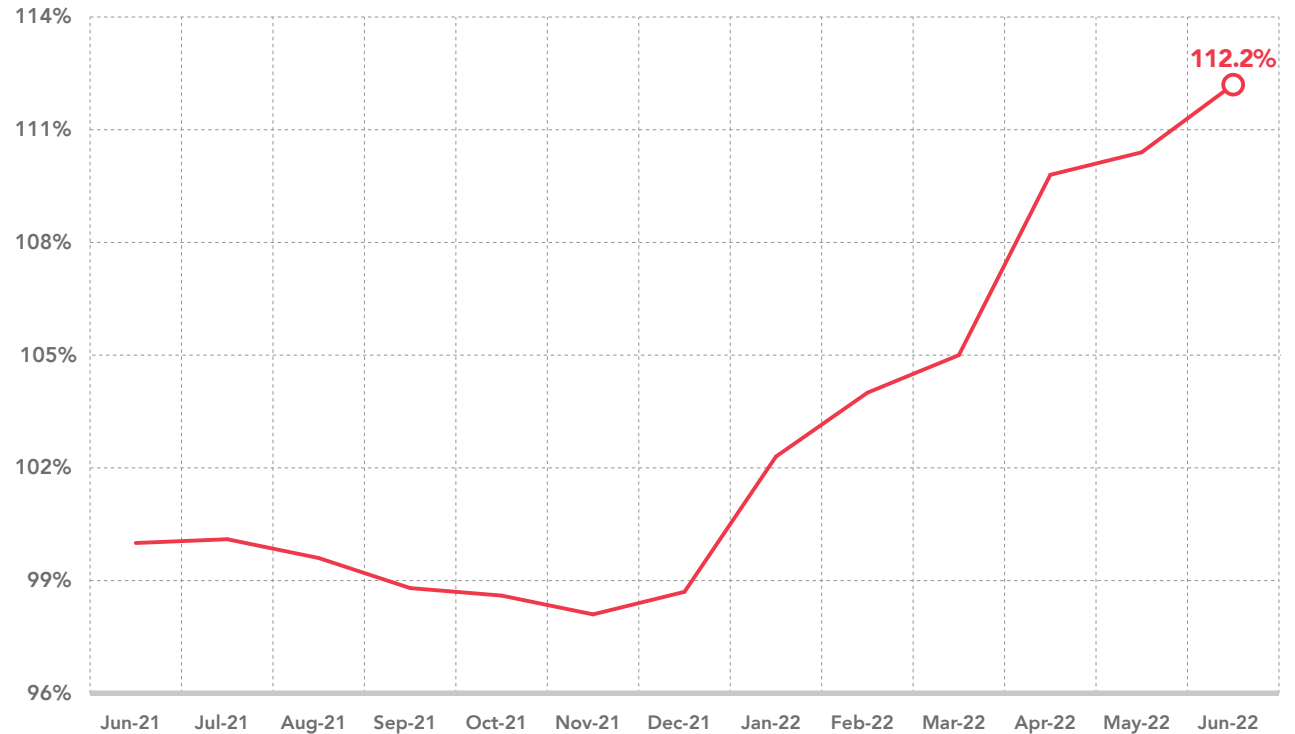
An average annual van policy in the UK now stands at £1,156.



£1,156

The average annual policy for a UK van driver now stands at £1,156.

One year



Long-term view

Average premiums have now increased 49.8% since April 2014 when Consumer Intelligence first started collecting data.

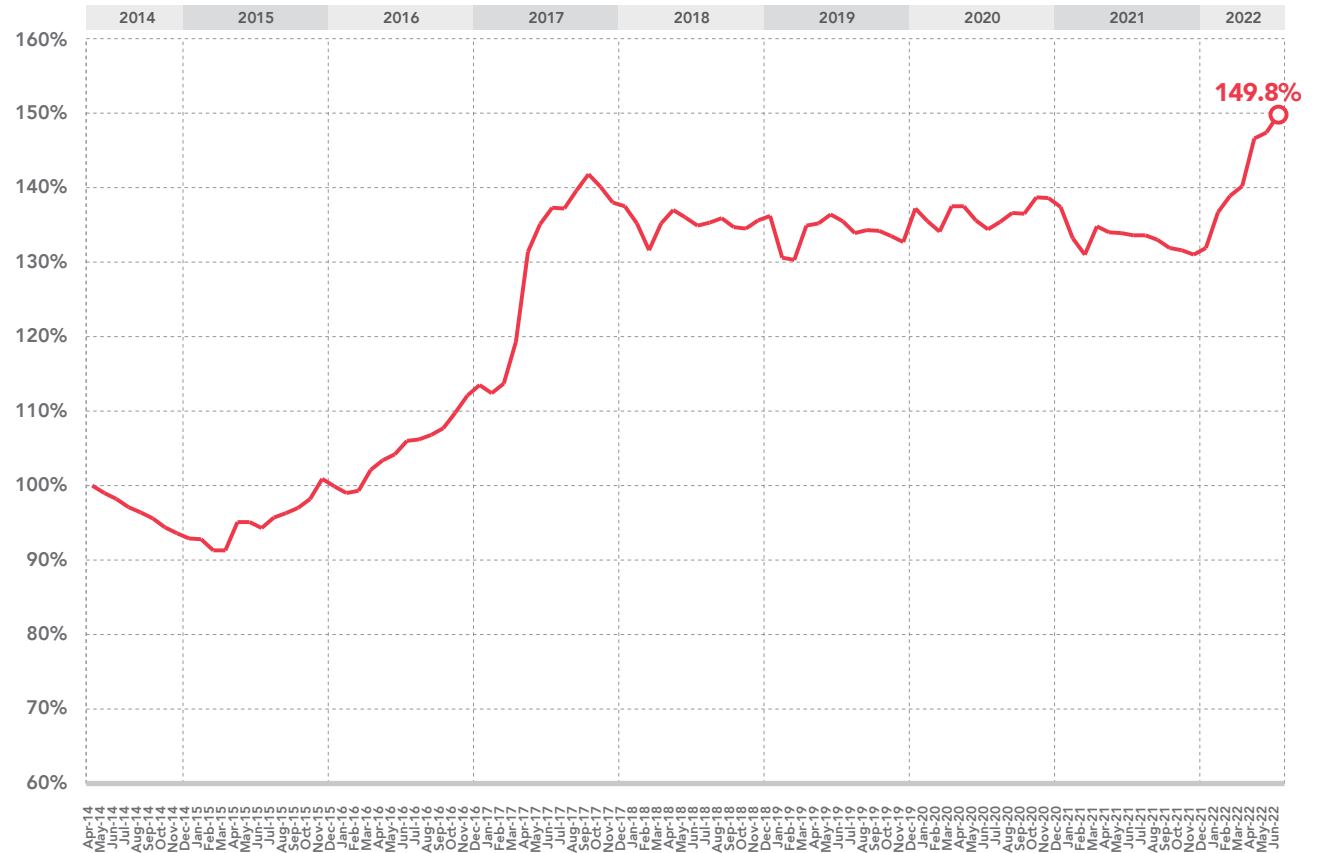
Prices are now at their highest point since our records began.



49.8%

Average van premiums have increased 49.8% since April 2014

April 2014 - March 2022



Type of cover

Drivers using their vans as a car substitute (£1,175) are now paying slightly higher premiums than those who use their vans for business (£1,150).

Premiums have risen 12.5% in the last 12 months for vans driven for personal and domestic reasons – under 'social, domestic and pleasure' (SDP) policies – whereas prices have increased just 12.1% for business users over the same period.



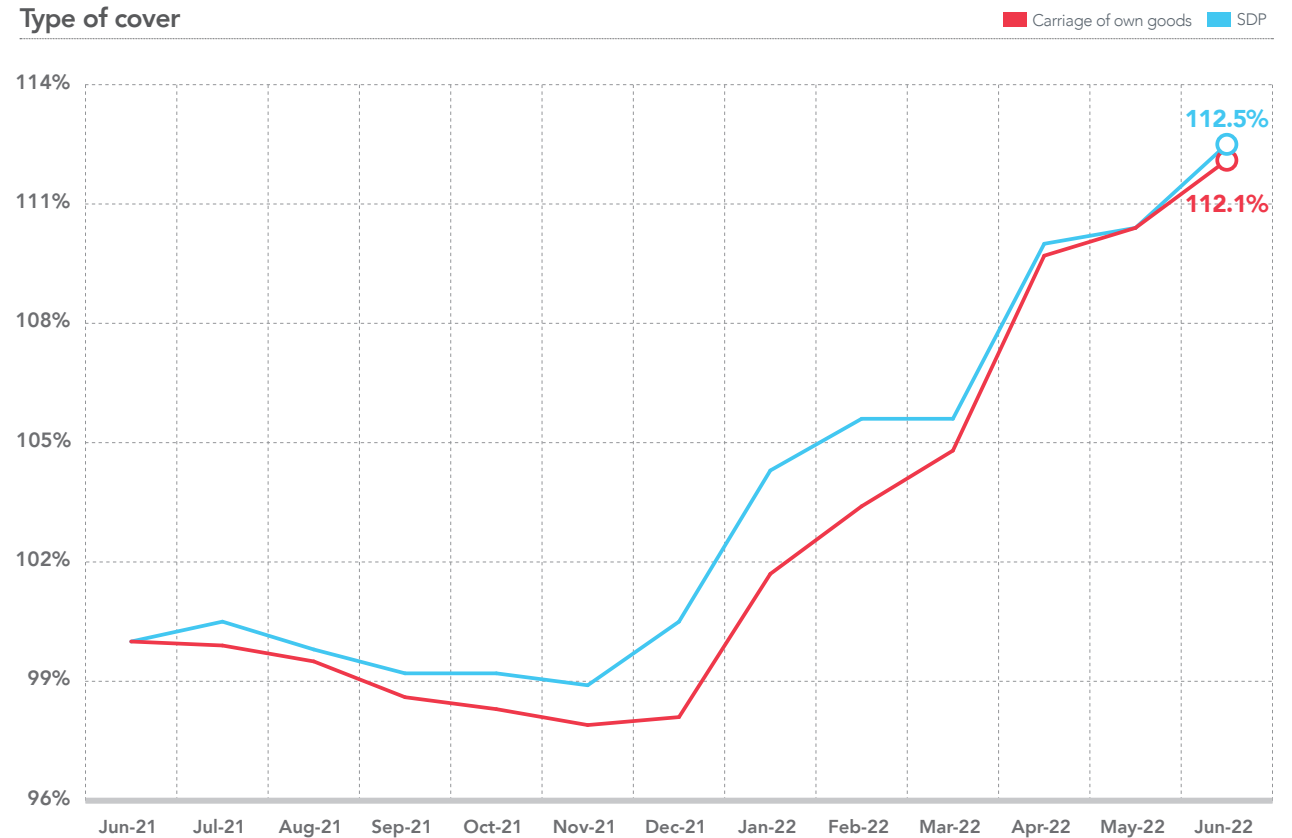
Average
SDP premium

£1,175

Average carriage
of own goods
premium

£1,150

Type of cover



Age gaps

All age groups have recorded double-digit increases to their motor insurance policies since the start of the year.

Even younger van drivers under the age of 25 – who have seen 20.4% wiped off the cost of van insurance in the eight years since Consumer Intelligence first started collecting the data in April 2014 – have now seen annual policies rise, on average, 10.6% so far in 2022. And for van drivers aged 25-49 and the over-50s, prices have risen even more steeply in 2022, at 14.0% and 13.9%, respectively.

A typical annual policy for a van driver under the age of 25 remains prohibitively high at £3,550. For those aged 25-49 premiums are now, on average, £851. While for the over-50s, an annual policy costs just £618.

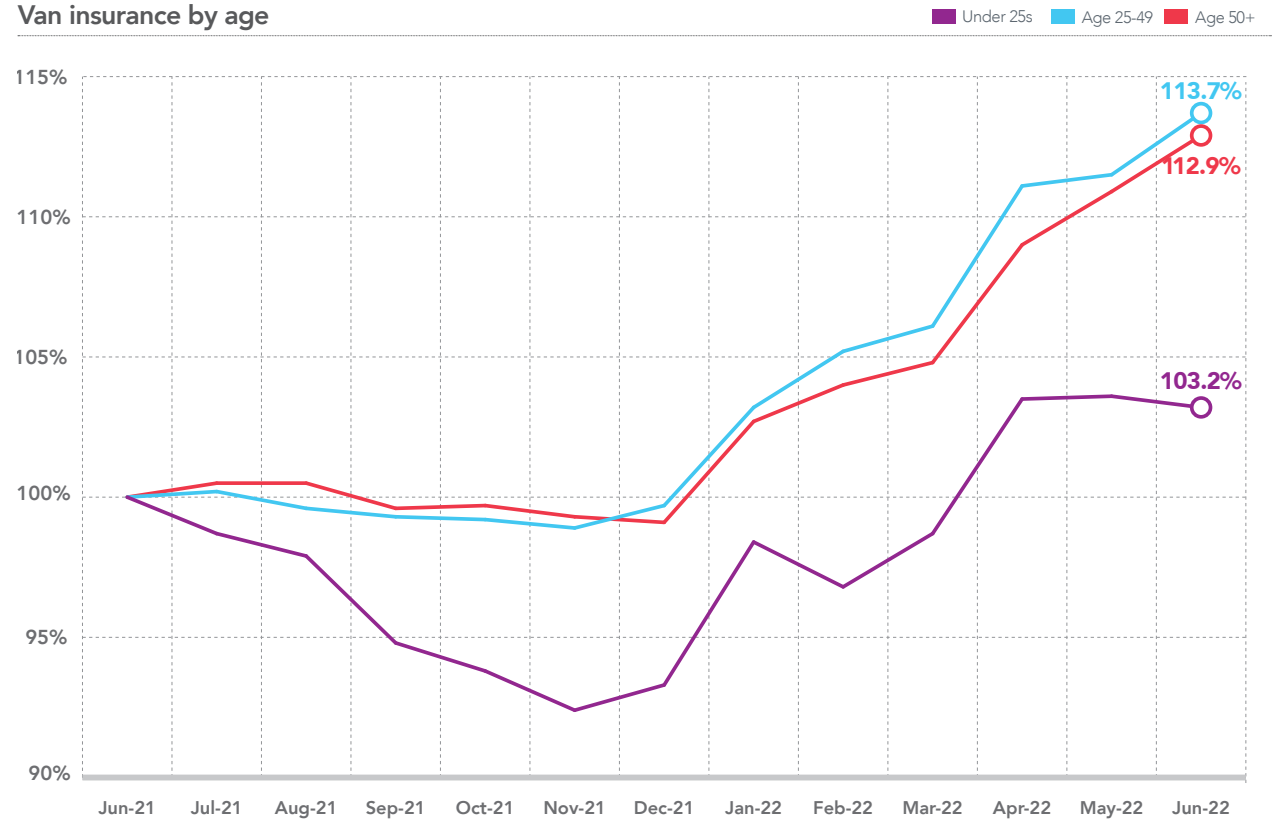


£3,550 Average premium for drivers under 25

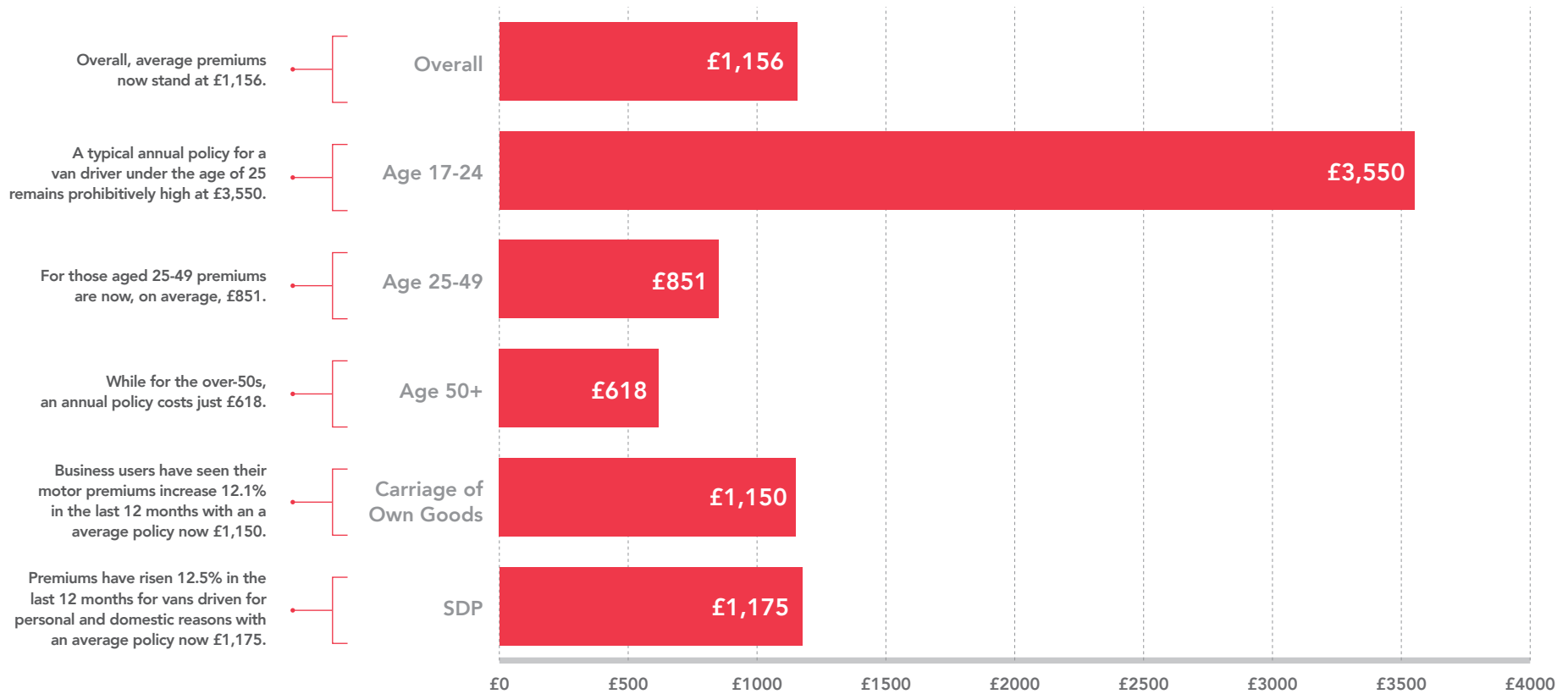
£851 Average premium for drivers 25-49

£618 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

