

## Quick Note – Rising Premiums for Motor Insurance

At the start of May we issued 'Quick Note – Personal Injury Awards' detailing a change in the calculation of personal injury awards. In summary:

- the awards received by those who have suffered life changing injury have increased significantly
- insurer profitability has been hit hard by the resulting higher claim settlements
- insurance premiums for motor related policies for both businesses and individuals were anticipated to rise to compensate for higher claims costs

## Update – Have premiums increased?

The anticipated premium rises have become a reality with increases in motor related policies such as fleet, motor trade, commercial vehicle and car.

The Association of British Insurers (ABI) report that average car insurance premiums have gone up by 11% in the past year, with the change to personal injury calculations being the main reason behind the rise.

Analysis from Consumer Intelligence shows that the annual insurance premium rise for vans is 29.5%. In April, following the change in the calculation of awards, premiums rose by 11.4%.

Experience tells us that changes in car and van premiums are reflected in fleet and to some degree motor trade premiums.

Those who have yet to renew their policies since the end of March should be prepared and plan for an increase in premium for motor related policies.

## How Qualitas can help

We continue to monitor premium changes and put forward market competitive premiums by using our access to markets and our negotiating skills to keep minimise any increases. We have found that some new insurance company entrants into the motor fleet market have a pricing advantage due to not being exposed to increased claims costs for on legacy policies.

Recognising that higher premiums mean that a good claims experience has an even greater value we have created a 'Motor Incident Guide' for businesses and their drivers. The guide contains useful tips on what to do following an accident to reduce the claim costs. To get a copy along with other risk management tools sign up for complimentary access to Risk Partner at [www.qualitasinsurance.co.uk/extras](http://www.qualitasinsurance.co.uk/extras) or email [team@quib.co.uk](mailto:team@quib.co.uk)

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