

Confused.com reveals car insurance prices plummeted by 13.6% for drivers under 20



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Confused.com has revealed car insurance has plummeted by £360 (13.6%) for drivers aged 17-20, but 2013 could see dramatic price rises after this December's EU gender ruling. Experts have warned 17-20 year old drivers to take advantage of the current preferential rates and advised young drivers to avoid 2013's predicted price hikes by shopping around.

Average comprehensive [car insurance](#) prices now stand at £757 as of Q3 2012, compared to £843 for Q3 of last year, a significant year-on-year fall of £87 (10.3%).

However, Confused.com's experts predict this reduction could be short-lived and that the Treasury's forecasts of 24% rises for young female drivers in the age group 17- 25 may come true for motorists in 2013, catching those who fail to shop around. This predicted insurance price rise could affect female drivers throughout various age groups, according to this Treasury data. 26-30 year old females are forecast an 18% price hike once the gender directive takes effect. 31-35 year old female drivers are expected to suffer a 10% price rise.

Smaller price rises are expected for women aged 36-40 who are predicted to experience a 3% rise, and 41-45 year female

drivers are only expected to receive a 1% price rise for their future car insurance policies.

The latest Towers Watson/Confused car insurance price index shows a very different picture to those future predictions. 17-20 year-old women have fared best during Q3 of 2012, with a whopping 17.3% annual decrease in prices. For men it was the 36-40 year olds who experienced the most significant drop, with a 10.7% reduction in annual costs.

For Third Party Fire and Theft cover only, average premiums for Q3 stood at £1,131, showing minor reductions year-on-year of 2.1% and 1.5% quarter-on-quarter.

Quarter 3 of 2012 saw car insurance prices fall for all age groups, particularly young female drivers, but predictions from the Treasury indicate that young female drivers could see rises of up to 24% after the EU gender ruling becomes law on 21 December 2012. After this date women and men cannot be priced differently for insurance meaning women will no longer directly benefit from being statistically less risky drivers as far as insurers are concerned.

Gareth Kloet, Head of Car Insurance at Confused.com said: "We would recommend that young drivers take advantage of these latest price drops if they are able to renew now, but we anticipate that steep price hikes loom with the advent of the EU gender ruling, which means shopping around has never been so key."

Regionally the biggest annual price falls have been in the Manchester/Merseyside area (prices fell by 12.5%), closely followed by the North East (a drop of 12.4%). By postcode area, Kirkwall saw the biggest price drop in the UK as prices fell by 15.6% and this was closely followed by Darlington, where car insurance prices dropped by 14.6%

Women on average saw their premiums shrink by 11.7% over all in Q3. For spouses of either gender the average premium cost for a joint insurance policy is a lot less than average costs

for solo drivers: male drivers insured plus spouse are quoted on average £432, compared to £907 as insured only driver, for women it costs an average of £787 for insured only driver cover, but just £418 for women who have a spouse on their policy.

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About Confused.com

Confused.com was the UK's first price comparison site for car insurance. Confused.com is one of the UK's biggest and most popular price comparison services. Launched in 2002, it generates over one million quotes per month. It has expanded its range of comparison products over the last couple of years to include more specialised insurances such as [tenants contents insurance](#), cheap [car insurance for young drivers](#) and [life assurance](#).

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