

COVÉA CONVERSATIONS

WITH STEPHEN LONG

One in three consumers don't know why their insurance has increased and, with a 21% increase in motor premiums over this last 12 months, you can see why.

Stephen Long, Claims and Operations Director at Covéa Insurance, gives us his view and offers some tips on how to get the best deal.

"As a general insurer, we provide a range of motor, property, and specialist insurance products sold via brokers. Like most industries, we've seen all our costs hit by inflation, and motor claims repair costs have increased dramatically.

Some reasons are the increased complexity of repairs. Car makers have gradually increased the amount of electronics, computers and sophisticated gadgetry in vehicles. Consequently, repairs have become more complicated and use more specialist parts. For example, in 2019, a simple, average windscreen claim would cost £189 to replace. Now, they're over £300 due to technology embedded in them.

On top of this, the UK motor industry has suffered from global supply chain disruption with knock on effects from Covid, Brexit and the war in Ukraine. As a

result, repairers have been experiencing difficulties in obtaining car parts, meaning that replacement cars are needed for longer. In the 2nd quarter of this year alone, insurers paid out £157 million for replacement cars – a 52% increase compared with last year (ABI).

Crime is also on the rise. As well as insurance settlements on vehicle thefts growing by 53% year on year, insurance fraud (which already adds an estimated £50 per year to every policy sold) is also on the increase. The cost-of-living crisis appears to be behind increasing fraud by organised criminal groups. The average consumer is more likely to be preyed upon while they try to find a cheap deal. In a recent survey, 30% said they would consider purchasing a policy from an unknown brand via Facebook if it was cheap enough.

Bring all this together and motor insurers are paying out more than ever – in Q3 £2.7b was spent, up 23% on the same period the year before. These extra costs are now starting to come through in the premiums people are seeing."

My 3 top tips for buying insurance:

1

Make sure your details are accurate. Studies highlighted that 10% of consumers said they wouldn't disclose a motoring conviction to their insurer. However, doing this can result in a claim not being paid. It's so important to make sure your details are correct.

2

Shop around – the type of cars and cover insurers offer can change all the time. Always make sure you are getting the best deal.

3

Consider the cover alongside the price. Ensure you are with a reputable company when it comes to making a claim.

