

Car insurance claims costs fall again - for sixth year in a row

Car insurance claims costs fell again in 2016, a 42% drop compared to 2010. The Association of British Insurers' (ABI) own figures contradict their continued assertion of a 'compensation culture'.

Ahead of the ABI conference (Tuesday 17 February 2018), campaigning law firm [Thompsons Solicitors](#) has analysed data issued by insurers and it's clear that motor claims have fallen once again.

Data published by the ABI shows that the net cost of car insurance claims incurred decreased in 2016 for the sixth year in a row, from £8.302bn in 2010 to £4.797bn last year.

The findings fly in the face of claims car insurers, who have long tried to blame premium increases on everything but their relentless push for profit and without highlighting what it's actually costing them to meet their liabilities.

Thompsons Solicitors says the UK motor insurance industry is misleading the public when they claim there is a crisis, when their own data clearly demonstrates that claims costs are down and profits of the major players in the market such as Admiral and Direct Line continue to increase.

Despite costs for insurers falling by more than a third in 2016, the average price of motor insurance in Britain soared by nearly 20 percent in the same time period, increasing from £500 to £597 between the beginning and the end of the year.

The remuneration packages for the CEOs of four major insurance companies ranged in 2016 from £3.38 million to £11.25 million.

Tom Jones, Head of Policy at Thompsons Solicitors said: "The insurers think they can pull the wool over the eyes of the motoring public by shouting ever louder about a 'compensation culture' and 'whiplash fraud' but the facts speak for themselves. Claims costs have fallen every year for the last six years and are now down by 42%. The bald fact is are that they are paying out less and less while motorists are paying ever more.

"Why should motorists trust the ABI when they say the ["industry does everything it can to keep premiums down"](#) if, when claims costs fall, premiums still go up?"

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