Sue Brown

Title: **Chair**

Association: **Motor Accident Solicitors Society (MASS)**

Falling motor premiums, but at what cost to claimants?

Recent data indicates that motor insurance premiums are easing after the sharp increases seen through 2023 and early 2024. According to the ABI, the average premium in Q4 2025 was £559 or 10.2% (£63) lower than the same quarter in 2024. The Confused.com Car Insurance Price Index reports a similar trend, indentifying a 13% annual fall to an average premium of £726 by November 2025. While the two datasets differ in methodology, written premium versus quoted prices, the overall message is consistent. Pricing pressure has moderated.

However, putting these figures into context is essential. Even after recent reductions, premiums remain materially higher than the £430-£490 range typical between 2017 and early 2022, prior to and around the implementation of the whiplash reforms. The Ministry of Justice's expectation was that the reforms would generate sustained consumer savings of approximately £35 per policy per year.

The ABI rightly attributes continuing pricing pressure primarily to vehicle damage costs, theft rates, supply chain disruption and increasingly complex repair requirements driven by advanced vehicle technology. Total motor claims payouts reportedly reached £11.9 billion in 2025.

At the same time, the composition of claims payouts has shifted significantly. ABI data indicates bodily injury claims costa fell by 8% between 2022 and 2023. Willis Towers Watson has recently reported that bodily injury represented 16% of insurer spend in 2021, falling to 9% in 2025. That reduction reflects both lower claim volumes and the tariff-based limitations introduced under the Civil Liability Act.

Taken together, the data suggests a structural rebalancing of motor claims. Vehicle damage inflation and theft are exerting upward pressure on pricing, while bodily injury costs have been reduced. The question for the claims sector is not whether premiums have recently fallen, as they clearly have, but whether this has translated into demonstrable, durable consumer benefit and at what cost?

Premium movements are inherently cyclical influenced by a range of factors. By contrast, the severe reduction in compensation under the whiplash reforms is structural and ongoing.

In that context, any further policy proposals to further restrict access to damages should be assessed against clear empirical evidence that existing reforms have delivered proportionate and sustainable benefits to policyholders.

It is entirely legitimate to question whether the cost savings from the reforms have been equitably distributed across the claims system. The data points to a market where injury costs are declining as a share of spend, but premiums remain historically elevated. That alone should be a matter of concern for the Ministry of Justice as it considers its review of the reforms.

MASS
MOTOR ACCIDENT SOLICITORS SOCIETY