

The journey to premium hikes ...

1 EXPLOSION OF BODILY INJURY CLAIMS

13.3%

The rise in injuries from car accidents between 2008 and 2009 ...

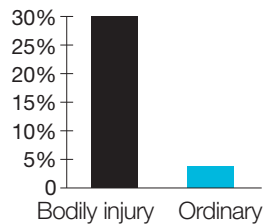
... while road accidents fell by

6%

DATA: ESURE

2 RATE OF INFLATION

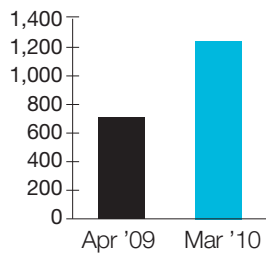
Bodily injury inflation is currently six times that of ordinary inflation



CLAIMS FARMING

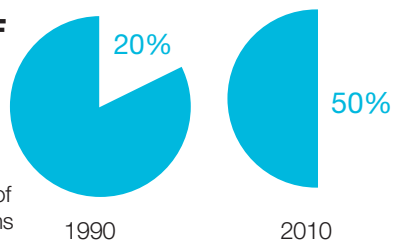
Number of registered claims management firms in the UK

DATA: TOWERS WATSON



3 BIGGER SLICE OF MOTOR CLAIMS

Bodily injury claims has jumped from 20% to 50% of all motor claims



DATA: TOWERS WATSON

4 RECORD PAYOUT

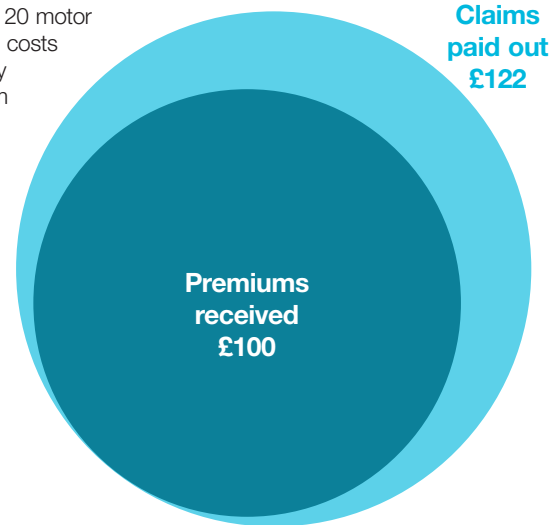
Awarded to an accident victim in Guernsey in September 2010. Tradox was the insurer.

£137.75m

5 THE MARKET'S COMBINED OPERATING RATIO

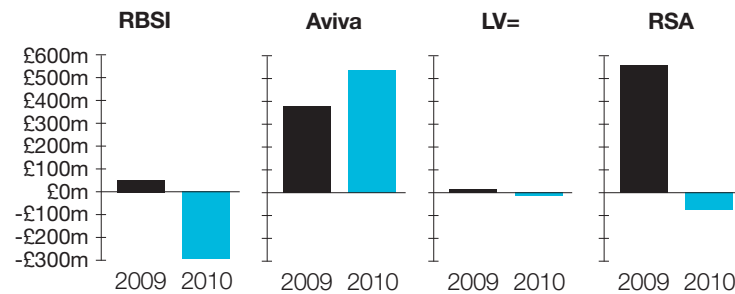
In 2009, the top 20 motor insurers incurred costs of £122 for every £100 of premium they received

DATA: ABI



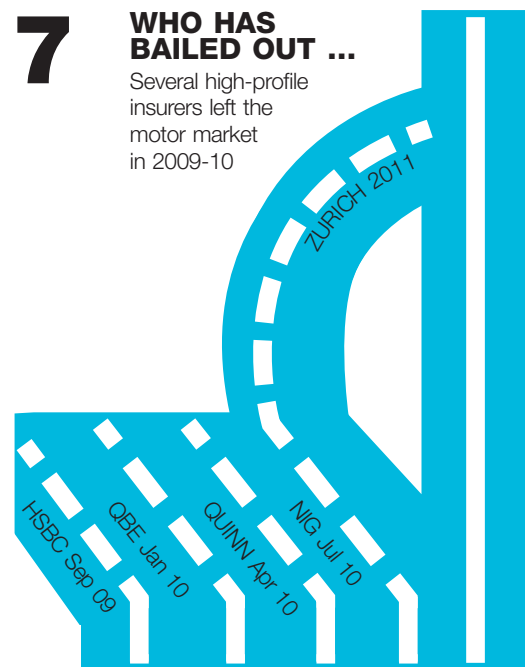
6 RESULTS OF THE BIG FOUR 2009-10

Operating profits and losses for the top four motor players DATA: ANNUAL REPORTS



7 WHO HAS BAILED OUT ...

Several high-profile insurers left the motor market in 2009-10

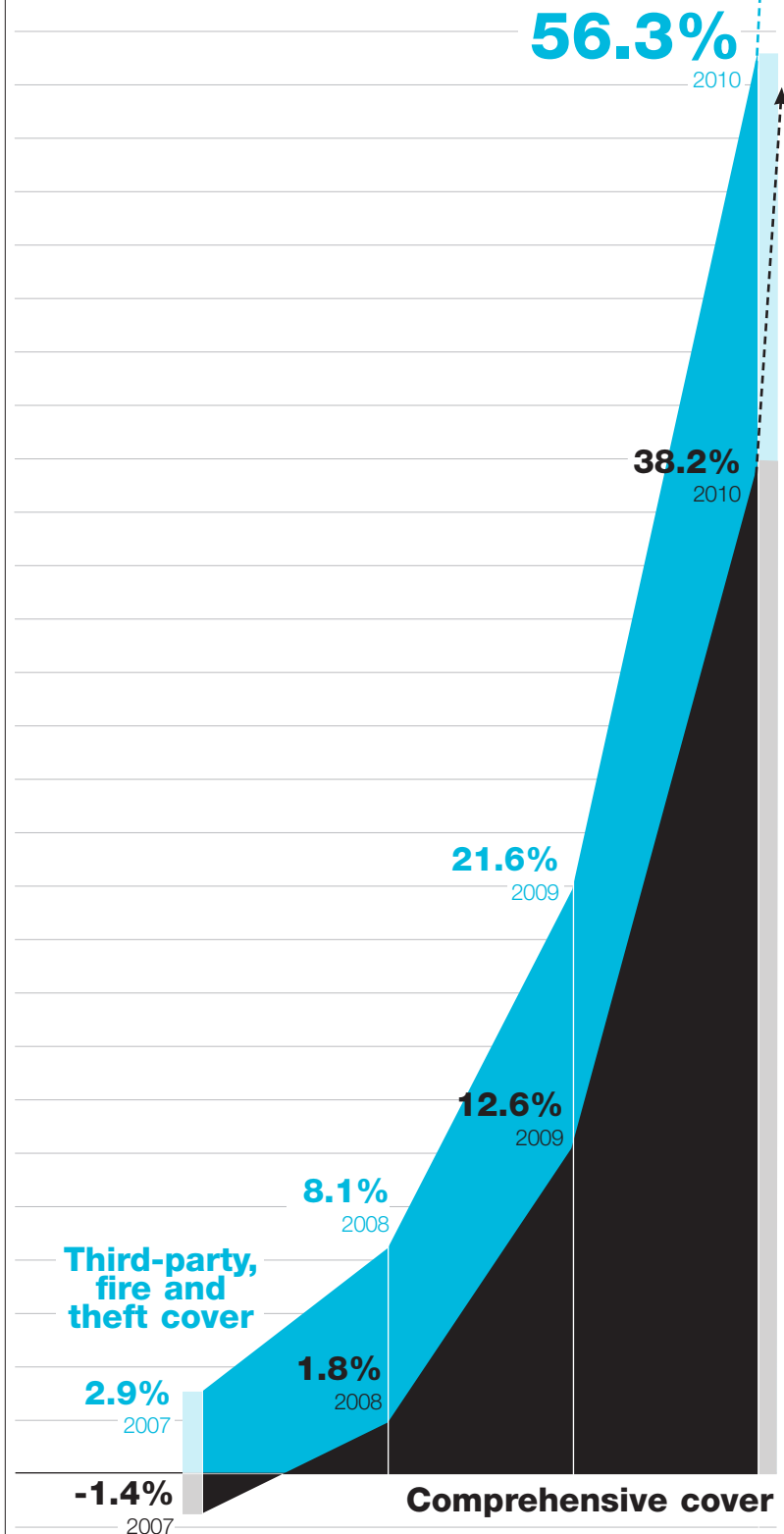


... AND WHO HAS GONE BACK

Insurance Times revealed earlier this month that Zurich planned to return to the personal motor market in the second half of 2011. The insurer effectively priced itself out of the market in 2009-10, hiking its rates and consequently seeing its premium plunge by one-quarter. Now it has decided the time is right to return.

8 THE RISING COST OF PREMIUMS

The rapid and substantial rise in motor premiums has caused concern among the national media and consumer watchdogs. However, it is set to continue for the rest of this year at least, with major insurers predicting continued double-digit rises



SOURCE: EVIDENCE TO TRANSPORT SELECT COMMITTEE