



AA British Insurance Premium Index – 2017 quarter 2

24 July 2017

The AA British Insurance Premium Index (Index) has been tracking the quarterly movement of car and home insurance since 1994. It measures the five cheapest quotes for each 'customer' to provide an average or Shoparound index.

Motor insurance premiums	2
Home insurance premiums	6
Index motor insurance trends since 1994	9
Index home insurance trends since 1994	10

Media contact

Ian Crowder

01256 492 844 ian.crowder@theAA.com

The information in the Index may only be used internally by the business (Internal Business Use) on the following terms. Internal Business Use means use of the information contained in the Index in reports and submissions – that do not carry advertising – in internal business activities. It specifically excludes any commercial use and exploitation including any use whereby the user obtains direct or indirect revenue, for example as part of any publishing activity, promotion, marketing or advertising. The AA copyright notice must be displayed on all such information. Press journalists may use the Index for editorial purposes without prior permission.

Any use of the Index other than as above is not permitted without the prior written consent of the AA (contact details above).

The AA excludes all implied warranties and conditions to the fullest extent permitted by law. The AA does not in any way warrant the accuracy or completeness of the Index, and by using the Index the user acknowledges that it is relying upon its own skill in determining its suitability for any general or specific purpose and accepts that the Index may not be error free.

Automobile Association Insurance Services Limited is authorised and regulated by the Financial Conduct Authority (FCA).



Motor insurance premiums – 2017 quarter 2

Car insurance misery piles up for drivers

- AA Index shows premiums at highest level for 23 years
- Premiums rise nearly 20% over 12 months
- Discount rate hits young drivers hardest

The average premium quoted for a comprehensive car insurance policy is at its highest level since the benchmark AA British Insurance Premium Index began in 1994.

Confirming the chorus of concern expressed by many commentators, and the financial pain felt by families, the Shoparound quote rose by 8.3% over the 3 months ending 30 June, or an eye-watering 19.6% over 12 months.¹

According to the Index, the Shoparound quote at the end of the second quarter is £690.35, compared with the first quarter's £637.51 and £577.22 a year previously. Young drivers have taken the brunt of the premium increase, with a 10.6% rise to £1,770.92.

Shoparound premium summary

	2017 Q1	2017 Q2	Change	2016 Q2	Change
Comprehensive	£637.51	£690.35	+8.3%	£577.22	+19.6%
Third Party, Fire & Theft	£976.38	£1,055.45	+8.1%	£846.35	+24.7%

Third party, fire and theft cover appears to have a higher premium than comprehensive. This is because the basket of risks reflects the type of driver that buys such cover, typically young drivers.

Michael Lloyd, director of [AA Insurance](#), says: "This is depressing news for drivers and it's completely unnecessary.

"The main culprit is the change in the government's so-called discount rate that applies to injury payments. For many years the rate was set at 2.5%, but in March this year it was reduced to minus 0.75%, which has significantly increased the value of compensation payments.

¹ The AA Shoparound index is an average of the five cheapest premiums, quoted from the broker, the direct market and price comparison sites, for each risk in a nationwide basket of risks representative of the insurance buying public. This method gives accurate quarterly price tracking.



"The discount rate is based on returns from government bonds and was overdue for review, but it was slashed by a much larger margin than anyone expected.

"The increase in compensation applied immediately to both lump sum payouts, which can run to millions of pounds for very serious injuries, and lifetime Periodic Payment Orders for life-changing injuries. As a result, many insurers found themselves facing immediate financial losses because of the much larger reserves needed to meet future claims.

"Because young drivers are responsible for the greatest number and the highest cost of injury claims, their premiums have taken the brunt of the rises."

Increases in Insurance Premium Tax (IPT) and the continuing scandal of whiplash injury claims, encouraged by cold-calling law firms, have also contributed to the rises.

"Yet the insurance industry remains extremely competitive, and to a certain extent that has contributed to the sharp rises we see today. The culture of comparing prices online, which is the subject of a Competition and Markets Authority investigation, has led insurers to offer unprofitable introductory rates to attract new business. That has been underlined by recent research suggesting that for every £100 taken in premiums, insurers are now paying out £109 in claims and costs.²

"That is clearly unsustainable," says Lloyd.

"Insurers now show the previous year's premium on renewal notices, which is welcome transparency for customers, but is leading to more shopping around. This in turn is likely to force insurers to increase premiums to new customers.³

"We are in a sharp upward price spiral, and that will continue until competitive pressure once again forces premiums downward – but that is some way off."

Lloyd says that the spiralling premiums should wake up the government to reverse decisions that have hit hard-working families hard in the pocket.

Continued

² The AA has contributed to the CMA's 'Digital Comparison Tools Market Study', for which written submissions closed in April 2017.

Ernst & Young, Motor insurance insights: facts, figures and predictions, 22 June 2017.

³ On 1 April 2017 new Financial Conduct Authority (FCA) rules came into effect to increase transparency and engagement at renewal in general insurance markets. This included showing the previous premium on renewal notices.

"The government hadn't thought through the consequences of slashing the discount rate. They promised a review, but the general election got in the way and I strongly urge them now to listen to the industry and do something about it.

"I also fear that the Chancellor of the Exchequer may once again target IPT in the Autumn Statement, as a quick win to fill some of the government's fiscal holes. Instead, I urge them to at least freeze the current rate, and consider dropping IPT completely for young drivers who demonstrate responsibility by using telematics insurance.

"Otherwise there is a serious risk that young drivers will take drastic measures such as driving uninsured or getting parents to front their policies.

"And the sooner the government can implement its plans to stamp on the shameful cold-calling firms milking the industry, reintroduced for the third time in the recent Queen's Speech, the better it will be for all of us."

Winners and losers

Shoparound by region

Anglia saw the biggest jump, rising by 11% to £677.14 over the quarter. Scotland remains the cheapest region to insure a car even though it saw the second-biggest premium increase, of 10.3% to £524.31. The smallest increase was in Northern Ireland, up 3.5% to £952.92, but still the highest Shoparound quote. Next most costly is Granada (the north-west), which saw an increase of 7.0% to £937.02 over the 3 months.

Shoparound by age

Male and female drivers can expect the same premium if all other elements of the quote are identical (car, mileage, occupation, address, driving record). Men are nevertheless on average quoted a higher Shoparound premium than women due to other factors. Thus according to the Index, men aged 17–22 can expect to pay £280 more than women in the same age group.

Young drivers had the biggest hit over the quarter (up 10.6% to £1,770.92) due to the discount rate for injury claims. The lowest average increase is for those aged 70 and over, who saw their premiums rise by 6.6% to £580.97. Despite recent media interest suggesting the contrary, older drivers remain significantly less likely to be involved in a serious crash than young drivers.

Continued



Motor insurance premiums – summary tables and charts 2017 Q2

Download the Index (Excel file) for motor insurance

[2,800 risks for car insurance](#)

AA British Insurance Premium Index – Motor insurance trends since 1994 (chart)

All channels combined

Motor insurance Shoparound premium movements (chart)

Motor insurance Shoparound premium movements (table)

Motor insurance Shoparound premium movements – region and age (tables)

Comprehensive insurance Shoparound premium trend (chart)

Third-party insurance Shoparound premium trend (chart)



Home insurance premiums – 2017 quarter 2

Premiums are edging upwards, says AA Index

- Increase wholly attributable to Insurance Premium Tax
- Weak pound, higher costs and fraud will lead to further rises

Following a flat first quarter and last year's falling trend, the average quoted premiums for home insurance have now started to rise, according to the benchmark AA British Insurance Premium Index.

The Shoparound quote for an annual combined buildings and contents policy increased by 2.0% to £157.59 over the 3 months ending 30 June. And compared with this time last year the increase is just 1.1%, up by slightly less than £2.⁴

Quotes for individual contents and buildings policies have also increased. The typical cost of a contents policy rose 3.1% over the quarter, and 3.0% over 12 months, to £61.16. Buildings was up 1.6% over the quarter, and 2.4% over 12 months, to a Shoparound quote of £112.69.

Shoparound premium summary

	2017 Q1	2017 Q2	Change	2016 Q2	Change
Buildings	£110.95	£112.69	+1.6%	£110.08	+2.4%
Contents	£59.30	£61.16	+3.1%	£59.37	+3.0%
Combined	£154.57	£157.59	+2.0%	£155.88	+1.1%

Based on GFK channel preference and arrangement data.

Michael Lloyd, director of [AA Insurance](#), says: "There is no doubt that home insurance continues to be extremely competitive. Indeed, the Shoparound premium for a combined policy is about £19 less than it was 4 years ago.

"But the recent rises are wholly attributable to the doubling of Insurance Premium Tax in less than 2 years, from 6% in October 2015 to 12% from 1 June this year.

Continued

⁴ The AA Shoparound index is an average of the five cheapest premiums, quoted from the broker, the direct market and price comparison sites, for each risk in a nationwide basket of risks representative of the insurance buying public. This method gives accurate quarterly price tracking.

"The Treasury has pointed out that IPT is higher in other European countries such as France and Germany. But I fear that there will be a further increase in the Autumn Statement to prop up the government's crumbling finances.

"This is a sneaky tax that punishes people who rightly protect their homes and cars.

"And there is an important difference between the UK and Europe. Most countries' IPT pays for regulation of the insurance industry. But in the UK insurers are expected to pay direct for their own regulation and pay IPT, which apart from just 0.5% used to help finance flood defences goes straight into the Treasury coffers."

Yet while competitive pressure is keeping premium increases to a minimum, the AA believes that the weaker pound is putting pressure on home insurers, as well as rising rebuilding and repair costs, and fraud. Analysis of the home insurance industry has suggested that costs are rising faster than premiums, which in the long term is unsustainable.⁵

Adds Lloyd: "While I don't expect the steep increases we are seeing with car insurance, I believe that home premiums will continue their gradual upward trend."

It is now a decade since the disastrous floods of summer 2007, which led to over £3 billion in claims, causing home insurance premiums to rise by more than 20% over the following months. Lloyd says that it would take similarly catastrophic weather to again prompt sharp home premium rises.

He says: "Over the past 10 years there has been considerable investment in flood alleviation schemes. And the launch of Flood Re has helped to bring affordable insurance to those whose homes are most at risk of flooding. But with the consequences of climate change ahead, there is no room for complacency."

Winners and losers

Shoparound by region – combined buildings and contents policy

The region that has seen the largest increase in home insurance premiums for a typical combined home and contents policy is Border and Tyne-Tees; on average the Shoparound quote increased by 2.8% to £152.03. The most costly region to insure a home remains London and the south-east, where premiums increased by 1.6% to a Shoparound quote of £165.82. The West Country enjoys the lowest premium at £147.21, despite a 2.2% increase over the second quarter of 2017.

Continued

⁵ Ernst & Young, Annual Home Insurance report, December 2016.



Home insurance premiums – summary tables and charts 2017 Q2

Download the Index (Excel file) for home insurance:

[750 risks for home insurance](#)

AA British Insurance Premium Index - Home insurance trends since 1994 (chart)

All channels combined

Home insurance Shoparound premium movements (chart)

Home insurance Shoparound premium movements (table)

Home insurance Shoparound premium movements – region (tables)

Home insurance Shoparound premium movements – age (tables)

Home insurance Shoparound premium movements – property type (tables)

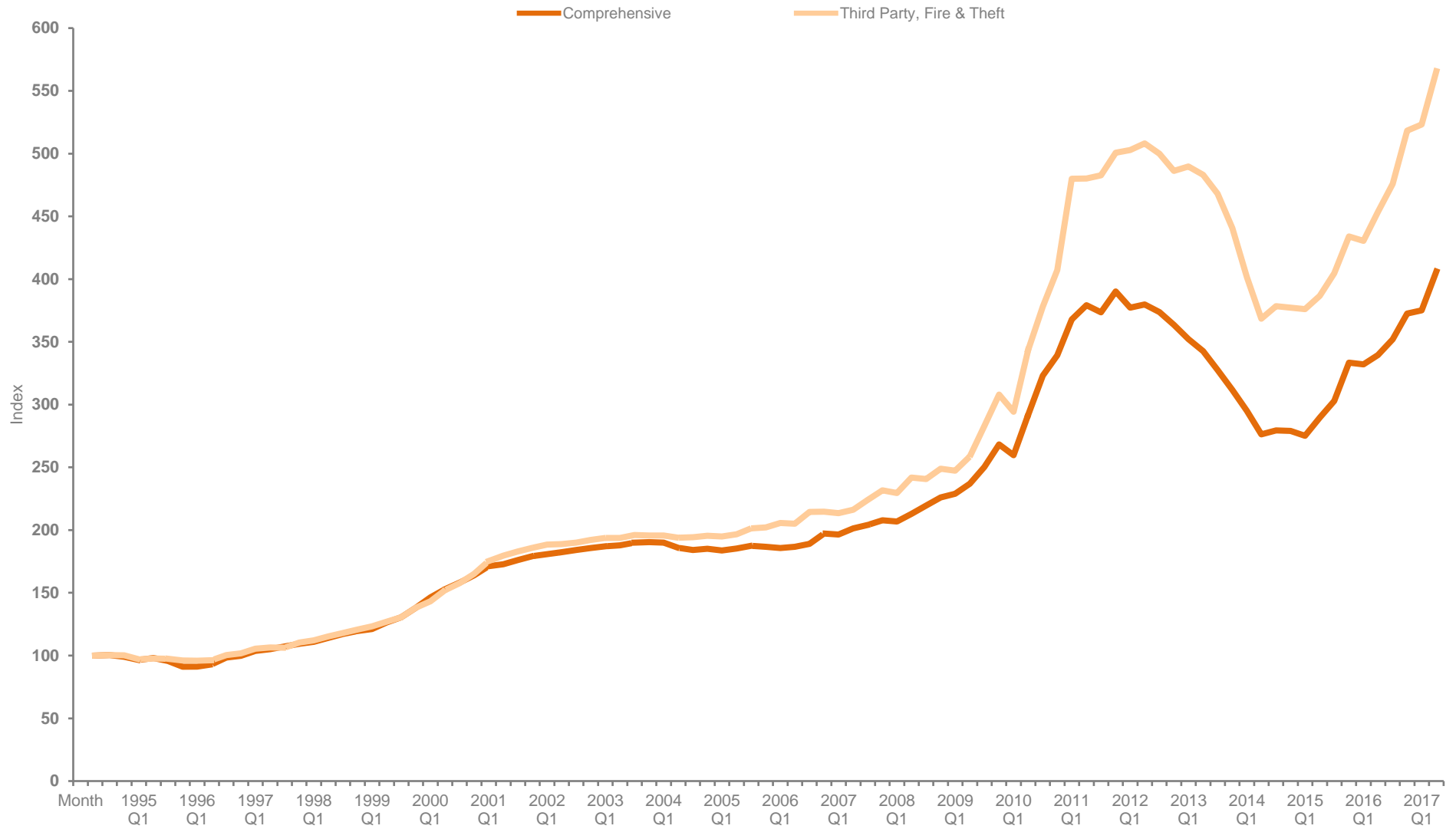
Home insurance Shoparound premium movements – year built (tables)

Buildings insurance Shoparound premium trend (chart)

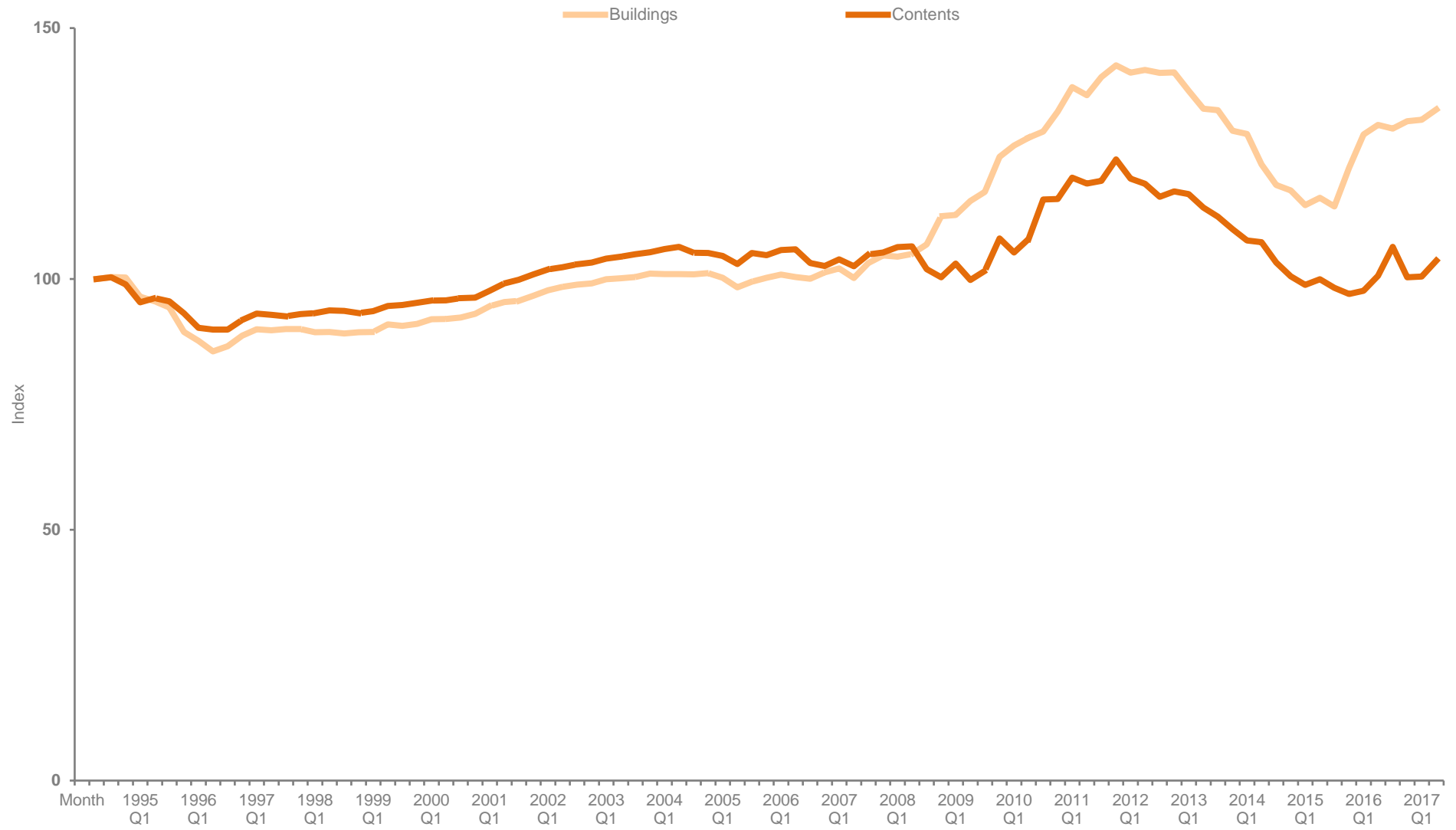
Contents insurance Shoparound premium trend (chart)

Buildings and contents insurance Shoparound premium trend (chart)

AA British Insurance Premium Index - Car Insurance Shoparound Trends

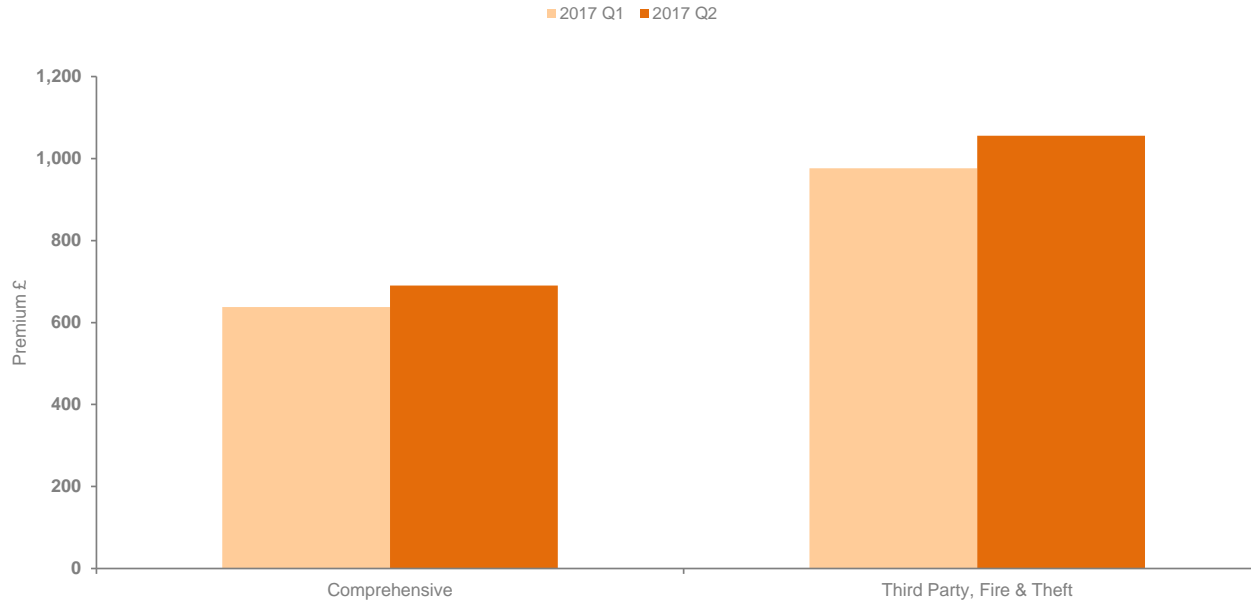


AA British Insurance Premium Index - Home Insurance Shoparound Trends



AA British Insurance Premium Index - Motor Shoparound Premium All Channels

	2017 Q1	2017 Q2
Comprehensive	£637.51	£690.35
Third Party, Fire & Theft	£976.38	£1,055.45



A base rate of 100 was set at July 1994. The British Insurance Premium Index gives a quarterly update on the movements of home insurance on 750 risks each for buildings and contents, and on 2,800 car insurance risks - 2,500 comprehensive and 300 TPFT. July 1994 and subsequent premiums are assumed average premiums rebased in line with BIPI production methods over time.

The Index shows average car insurance premiums based on open market rates from 80 of the UK's leading insurers and home premiums across 72 insurers. Composites, direct writers and online providers are included.

The quarterly move compares the market average premium this quarter with the previous quarter.

The shoparound premium is the average of the five lowest premiums quoted by the insurers in the market survey. This more closely reflects the price paid, but does not take account of discretionary discounts offered.

All premiums shown include Insurance Premium Tax at the prevailing rate.
Premiums shown for July 1994 alone are free of IPT

While it is not possible to include risks from every town in the UK, those selected are typical risks, reflecting a cross section of the insurance market. Movements by specific towns are checked separately using a basket of 250,000 risks.

AA BIPI - Motor Insurance Shoparound Movements

All channels*

	2017 Q1	2017 Q2	Change	2016 Q2	Change
Comprehensive	£637.51	£690.35	+ 8.3%	£577.22	+ 19.6%
Third Party, Fire & Theft	£976.38	£1,055.45	+ 8.1%	£846.35	+ 24.7%

* Based on GFK channel preference and arrangement data - March 2017.

AA BIPI - Motor Insurance Shoparound Movements

Summary by region - all channels

Region	Shoparound		Change
	2017 Q1	2017 Q2	
Anglia	£609.95	£677.14	+ 11.0%
Border & TyneTees	£614.82	£673.56	+ 9.6%
Central	£641.65	£703.42	+ 9.6%
Granada	£875.36	£937.02	+ 7.0%
London	£796.74	£854.57	+ 7.3%
Scotland	£475.55	£524.31	+ 10.3%
South	£547.25	£602.28	+ 10.1%
UTV	£920.73	£952.92	+ 3.5%
Wales	£601.68	£657.85	+ 9.3%
West & West Country	£529.34	£571.19	+ 7.9%
Yorkshire	£694.21	£753.01	+ 8.5%

Summary by age - all channels

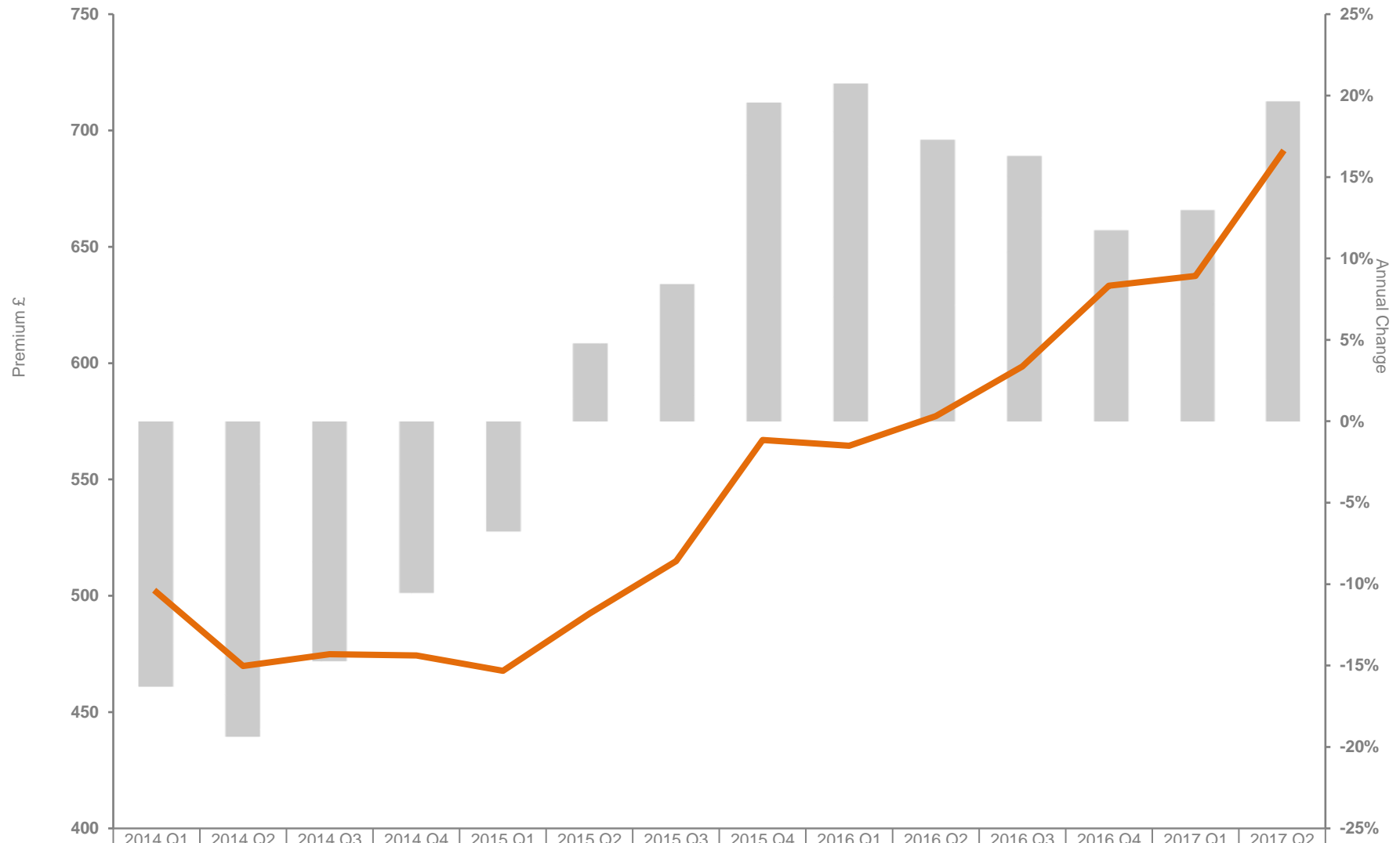
Age	Shoparound		Change
	2017 Q1	2017 Q2	
17-22	£1,601.63	£1,770.92	+ 10.6%
23-29	£844.54	£924.07	+ 9.4%
30-39	£560.60	£598.80	+ 6.8%
40-49	£496.71	£536.41	+ 8.0%
50-59	£432.95	£459.80	+ 6.2%
60-69	£390.43	£417.80	+ 7.0%
70+	£545.11	£580.97	+ 6.6%

Summary by age and gender - all channels

Female		Shoparound		Change
Age	2017 Q1	2017 Q2		
17-22	£1,475.20	£1,631.15	+ 10.6%	
23-29	£783.48	£865.11	+ 10.4%	
30-39	£536.57	£574.34	+ 7.0%	
40-49	£476.32	£522.25	+ 9.6%	
50-59	£453.07	£478.39	+ 5.6%	
60-69	£386.76	£416.40	+ 7.7%	
70+	£507.21	£542.30	+ 6.9%	

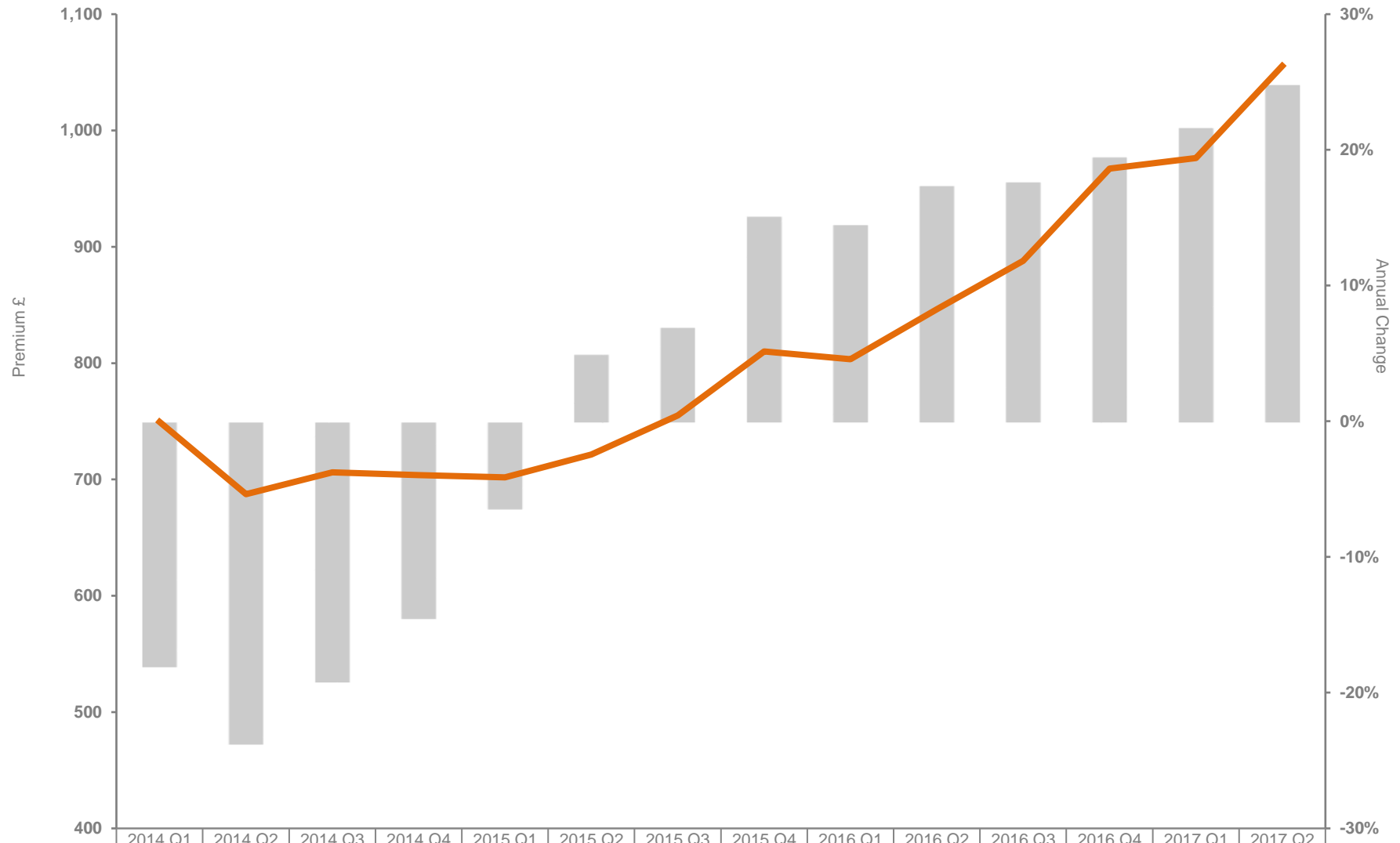
Male		Shoparound		Change
Age	2017 Q1	2017 Q2		
17-22	£1,729.19	£1,912.52	+ 10.6%	
23-29	£911.44	£989.04	+ 8.5%	
30-39	£584.41	£623.05	+ 6.6%	
40-49	£515.54	£549.58	+ 6.6%	
50-59	£409.83	£438.52	+ 7.0%	
60-69	£393.91	£419.36	+ 6.5%	
70+	£585.98	£622.67	+ 6.3%	

AA BIPI - Motor Comprehensive Shoparound Premium



Annual Change	-16.2%	-19.3%	-14.7%	-10.5%	-6.7%	4.8%	8.4%	19.5%	20.7%	17.2%	16.3%	11.7%	12.9%	19.6%
Comp Premium	£501.48	£469.80	£474.91	£474.32	£467.74	£492.31	£514.86	£566.91	£564.47	£577.22	£598.58	£633.28	£637.51	£690.35

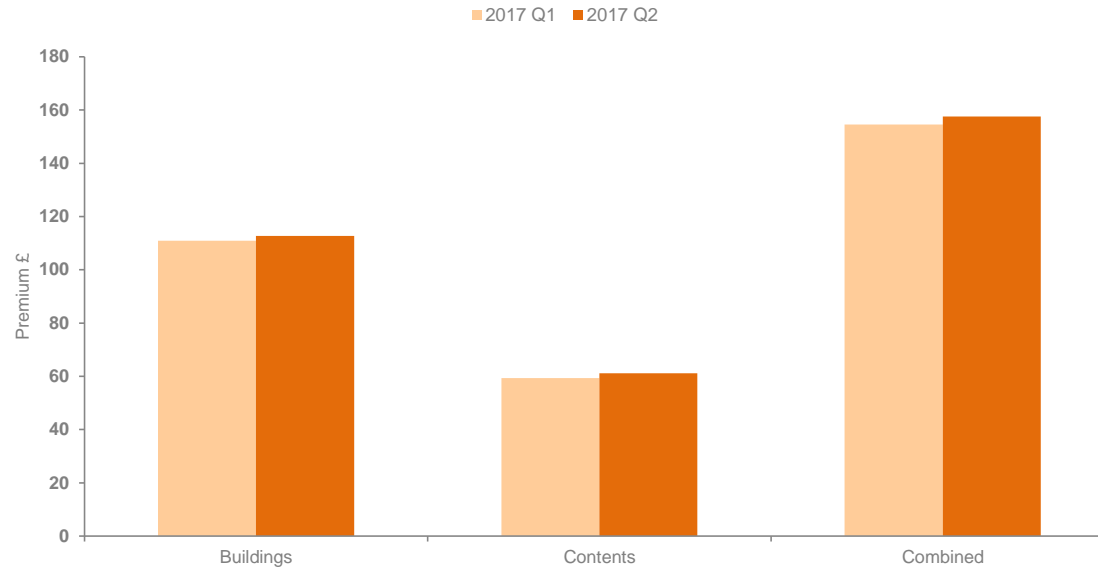
AA BIPI - Motor Third Party, Fire & Theft Shoparound Premium



Annual Change	-18.0%	-23.8%	-19.1%	-14.4%	-6.4%	5.0%	6.9%	15.1%	14.5%	17.3%	17.6%	19.4%	21.6%	24.7%
TPFT Premium	£749.53	£687.34	£706.11	£703.83	£701.74	£721.42	£755.11	£809.95	£803.26	£846.35	£887.97	£967.20	£976.38	£1,055.45

AA British Insurance Premium Index - Home Shoparound Premium All Channels

	2017 Q1	2017 Q2
Buildings	£110.95	£112.69
Contents	£59.30	£61.16
Combined	£154.57	£157.59



A base rate of 100 was set at July 1994. The British Insurance Premium Index gives a quarterly update on the movements of home insurance on 750 risks each for buildings and contents, and on 2,800 car insurance risks - 2,500 comprehensive and 300 TPFT. July 1994 and subsequent premiums are assumed average premiums rebased in line with BIPI production methods over time.

The Index shows average car insurance premiums based on open market rates from 80 of the UK's leading insurers and home premiums across 72 insurers. Composites, direct writers and online providers are included.

The quarterly move compares the market average premium this quarter with the previous quarter.

The shoparound premium is the average of the five lowest premiums quoted by the insurers in the market survey. This more closely reflects the price paid, but does not take account of discretionary discounts offered.

All premiums shown include Insurance Premium Tax at the prevailing rate.
Premiums shown for July 1994 alone are free of IPT

While it is not possible to include risks from every town in the UK, those selected are typical risks, reflecting a cross section of the insurance market. Movements by specific towns are checked separately using a basket of 250,000 risks.

AA BIPI - Home Insurance Shoparound Movements

All channels*

	2017 Q1	2017 Q2	Change	2016 Q2	Change
Buildings	£110.95	£112.69	+ 1.6%	£110.08	+ 2.4%
Contents	£59.30	£61.16	+ 3.1%	£59.37	+ 3.0%
Combined	£154.57	£157.59	+ 2.0%	£155.88	+ 1.1%

*Based on GFK channel preference and arrangement data - March 2017.

AA BIPI - Home Insurance Shoparound Movements

Buildings summary by region - all channels

Region	Shoparound		Change
	2017 Q1	2017 Q2	
Border & TyneTees	£108.73	£110.61	+ 1.7%
Central & Granada	£108.47	£110.77	+ 2.1%
London & South	£116.46	£117.68	+ 1.0%
Scotland	£109.30	£110.78	+ 1.4%
Wales	£114.32	£116.42	+ 1.8%
West & West Country	£106.38	£107.97	+ 1.5%
Yorkshire & Anglia	£108.10	£109.99	+ 1.7%

Contents summary by region - all channels

Region	Shoparound		Change
	2017 Q1	2017 Q2	
Border & TyneTees	£55.43	£57.29	+ 3.4%
Central & Granada	£61.94	£63.59	+ 2.7%
London & South	£60.64	£62.79	+ 3.5%
Scotland	£53.61	£55.33	+ 3.2%
Wales	£56.57	£58.62	+ 3.6%
West & West Country	£55.85	£57.43	+ 2.8%
Yorkshire & Anglia	£60.20	£61.98	+ 3.0%

Combined summary by region - all channels

Region	Shoparound		Change
	2017 Q1	2017 Q2	
Border & TyneTees	£147.88	£152.03	+ 2.8%
Central & Granada	£153.69	£157.17	+ 2.3%
London & South	£163.19	£165.82	+ 1.6%
Scotland	£149.17	£151.82	+ 1.8%
Wales	£154.35	£158.31	+ 2.6%
West & West Country	£144.05	£147.21	+ 2.2%
Yorkshire & Anglia	£151.78	£154.31	+ 1.7%

AA BIPI - Home Insurance Shoparound Movements

Buildings summary by age - all channels

Age	Shoparound		Change
	2017 Q1	2017 Q2	
17-22	£114.07	£113.84	- 0.2%
23-29	£119.29	£121.16	+ 1.6%
30-39	£113.46	£115.13	+ 1.5%
40-49	£114.30	£116.03	+ 1.5%
50-59	£108.06	£110.13	+ 1.9%
60-69	£97.42	£99.61	+ 2.2%
70+	£100.22	£101.67	+ 1.4%

Contents summary by age - all channels

Age	Shoparound		Change
	2017 Q1	2017 Q2	
17-22	£67.51	£69.14	+ 2.4%
23-29	£67.95	£69.90	+ 2.9%
30-39	£63.22	£65.36	+ 3.4%
40-49	£59.98	£61.93	+ 3.2%
50-59	£56.35	£58.11	+ 3.1%
60-69	£50.41	£51.97	+ 3.1%
70+	£49.06	£50.22	+ 2.4%

Combined summary by age - all channels

Age	Shoparound		Change
	2017 Q1	2017 Q2	
17-22	£164.39	£164.49	+ 0.1%
23-29	£173.22	£175.92	+ 1.6%
30-39	£160.88	£164.11	+ 2.0%
40-49	£157.38	£160.50	+ 2.0%
50-59	£149.52	£152.96	+ 2.3%
60-69	£134.59	£137.74	+ 2.3%
70+	£134.59	£136.65	+ 1.5%

AA BIPI - Home Insurance Shoparound Movements

Buildings summary by property - all channels

Property type	Shoparound		Change
	2017 Q1	2017 Q2	
Bungalow	£105.48	£107.04	+ 1.5%
Detached	£128.66	£131.33	+ 2.1%
End Terraced	£99.96	£100.14	+ 0.2%
Flat	£115.95	£117.87	+ 1.7%
Semi Detached	£99.38	£101.25	+ 1.9%
Terraced	£107.36	£107.87	+ 0.5%

Contents summary by property - all channels

Property type	Shoparound		Change
	2017 Q1	2017 Q2	
Bungalow	£55.05	£56.55	+ 2.7%
Detached	£61.26	£63.29	+ 3.3%
End Terraced	£60.65	£63.23	+ 4.3%
Flat	£63.01	£64.72	+ 2.7%
Semi Detached	£57.43	£59.25	+ 3.2%
Terraced	£60.74	£62.54	+ 3.0%

Combined summary by property - all channels

Property type	Shoparound		Change
	2017 Q1	2017 Q2	
Bungalow	£144.19	£146.94	+ 1.9%
Detached	£173.12	£177.71	+ 2.7%
End Terraced	£145.73	£148.59	+ 2.0%
Flat	£173.50	£175.09	+ 0.9%
Semi Detached	£140.57	£142.87	+ 1.6%
Terraced	£152.85	£155.24	+ 1.6%

AA BIPI - Home Insurance Shoparound Movements

Buildings summary by year built - all channels

Year built	Shoparound		Change
	2017 Q1	2017 Q2	
<1920	£134.34	£136.68	+ 1.7%
1920-1945	£111.78	£113.89	+ 1.9%
1946-1979	£101.00	£102.17	+ 1.2%
1980-1999	£95.46	£97.18	+ 1.8%
2000+	£87.52	£89.61	+ 2.4%

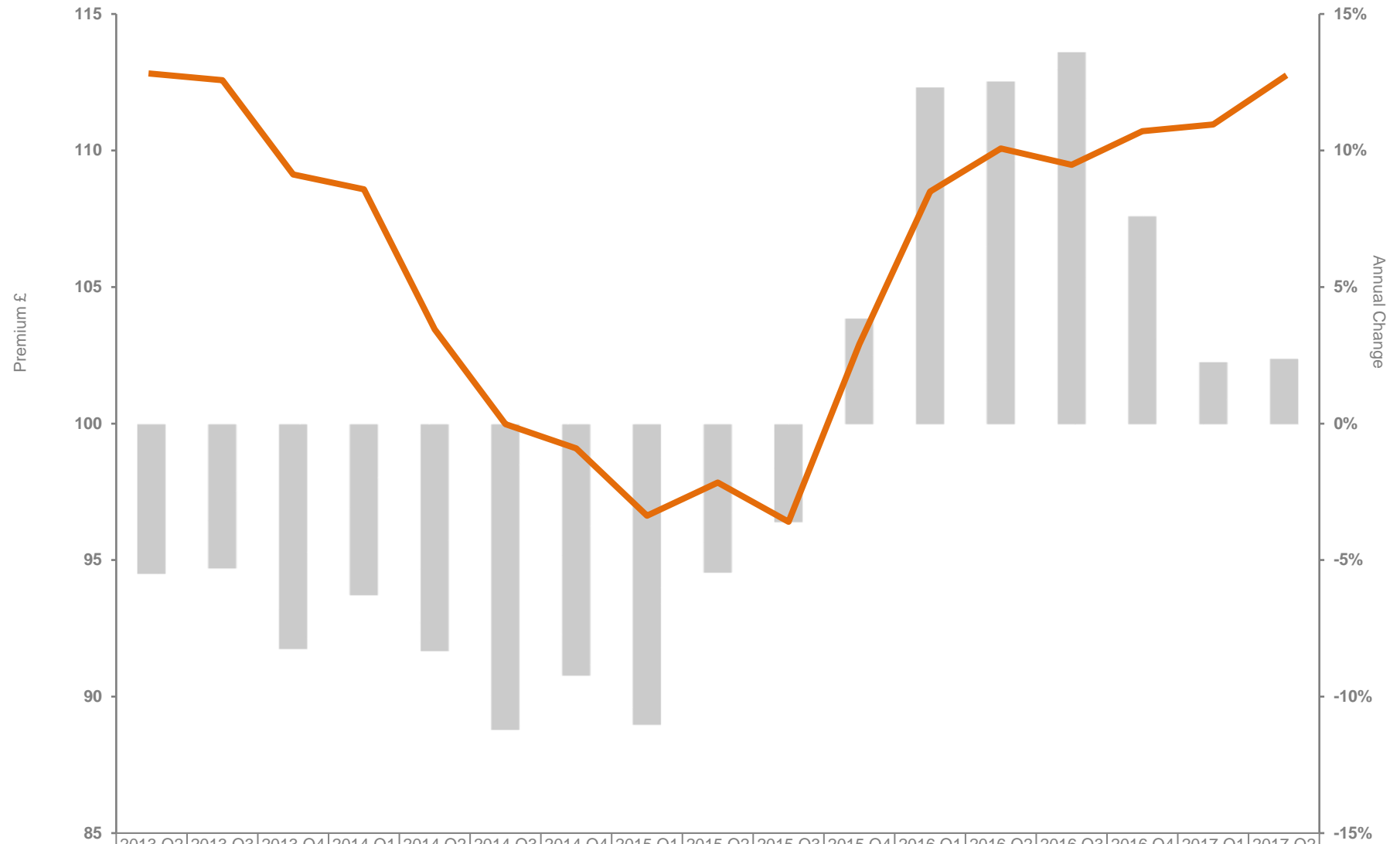
Contents summary by year built - all channels

Year built	Shoparound		Change
	2017 Q1	2017 Q2	
<1920	£65.02	£66.67	+ 2.5%
1920-1945	£61.98	£64.18	+ 3.5%
1946-1979	£55.61	£57.46	+ 3.3%
1980-1999	£55.45	£57.24	+ 3.2%
2000+	£56.37	£58.31	+ 3.4%

Combined summary by year built - all channels

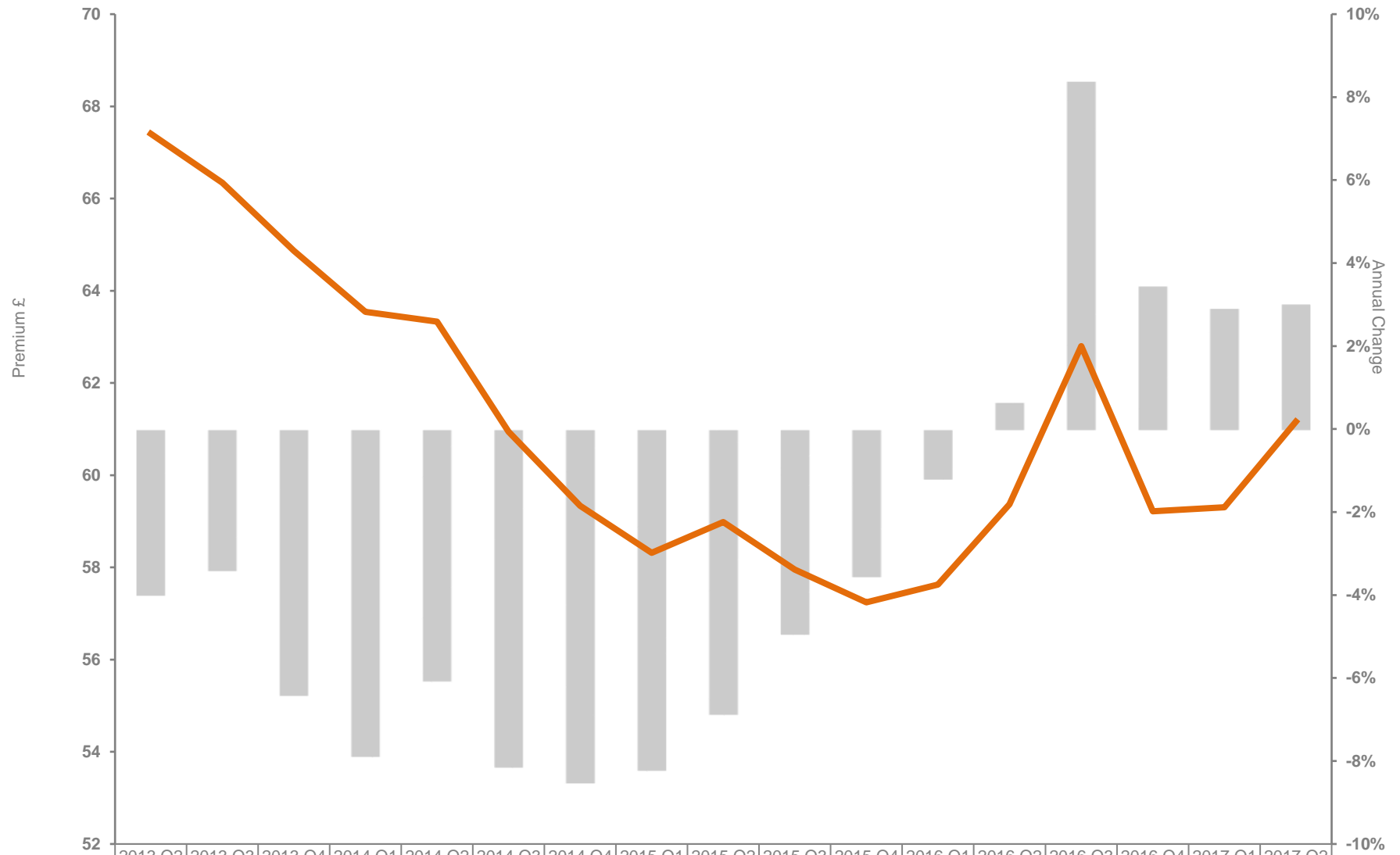
Year built	Shoparound		Change
	2017 Q1	2017 Q2	
<1920	£184.00	£188.12	+ 2.2%
1920-1945	£157.45	£161.08	+ 2.3%
1946-1979	£141.07	£143.63	+ 1.8%
1980-1999	£134.94	£136.41	+ 1.1%
2000+	£131.37	£132.65	+ 1.0%

AA BIPI - Home Buildings Shoparound Premium



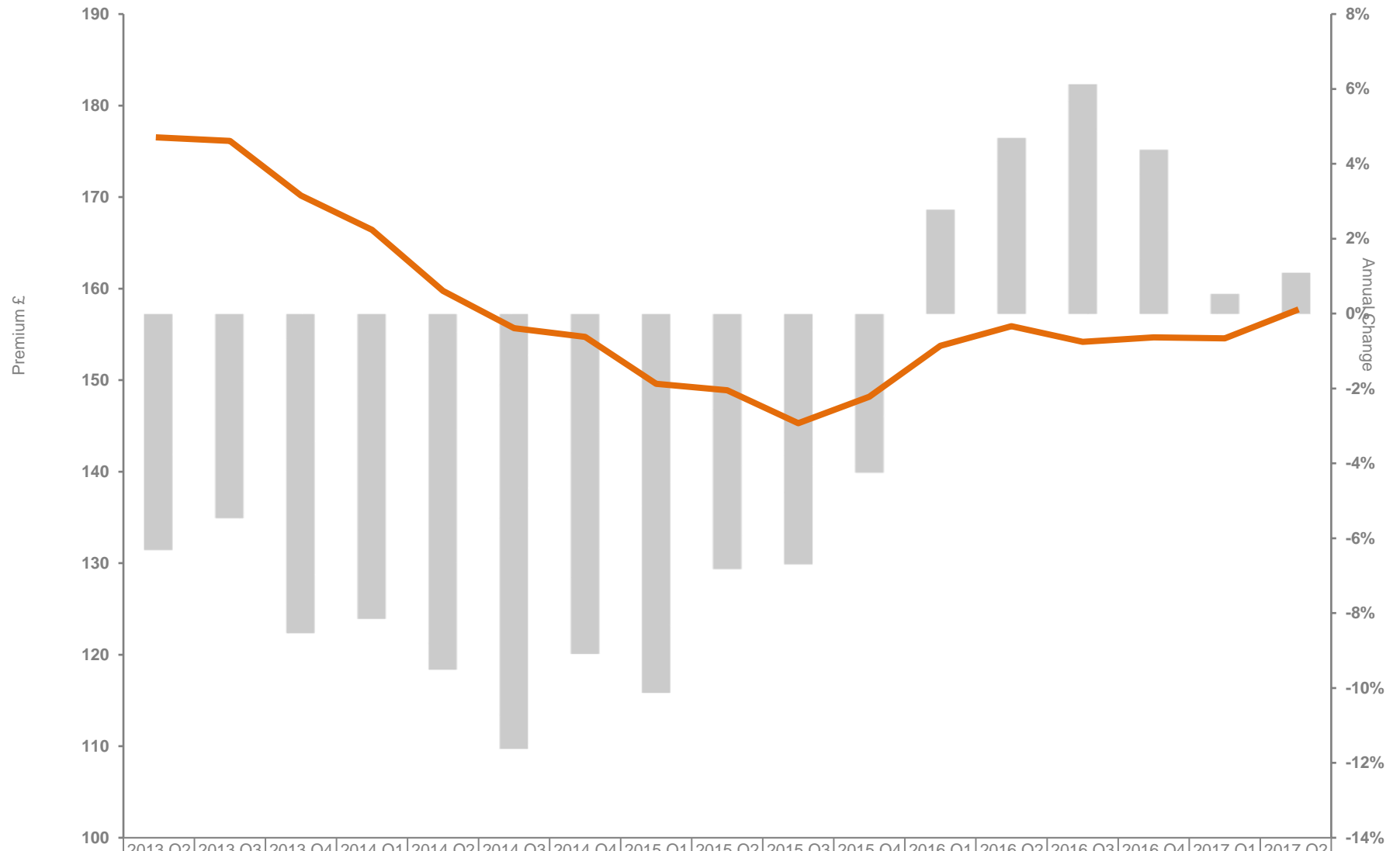
Annual Change	-5.5%	-5.3%	-8.2%	-6.2%	-8.3%	-11.2%	-9.2%	-11.0%	-5.4%	-3.6%	3.8%	12.3%	12.5%	13.6%	7.6%	2.3%	2.4%
Buildings Premium	£112.81	£112.58	£109.12	£108.57	£103.45	£99.98	£99.09	£96.63	£97.84	£96.40	£102.90	£108.50	£110.08	£109.48	£110.71	£110.95	£112.69

AA BIPI - Home Contents Shoparound Premium



Annual Change	-4.0%	-3.4%	-6.4%	-7.9%	-6.0%	-8.1%	-8.5%	-8.2%	-6.9%	-4.9%	-3.5%	-1.2%	0.7%	8.4%	3.5%	2.9%	3.0%
Contents Premium	£67.41	£66.35	£64.87	£63.54	£63.33	£60.94	£59.33	£58.32	£58.98	£57.95	£57.24	£57.62	£59.37	£62.80	£59.22	£59.30	£61.16

AA BIPI - Home Combined Shoparound Premium



Annual Change	-6.3%	-5.4%	-8.5%	-8.1%	-9.5%	-11.6%	-9.1%	-10.1%	-6.8%	-6.7%	-4.2%	2.8%	4.7%	6.1%	4.4%	0.5%	1.1%
Combined Premium	£176.51	£176.15	£170.17	£166.44	£159.76	£155.68	£154.74	£149.60	£148.90	£145.29	£148.19	£153.75	£155.88	£154.18	£154.68	£154.57	£157.59

AA BRITISH INSURANCE PREMIUM INDEX - 2017 Q2

Note: IPT at 2.5 per cent was introduced to premiums between July and October 1994

IPT was increased to 4% on 1 April 1997, to 5% on 1 July 1999, to 6% on 4 January 2011, to 9.5% on 1 November 2015, to 10% on 1 October 2016 and then 12% on 1st June 2017

Figures shown include IPT, whereas on July 1994 premiums IPT did not apply

Important Note

The information contained in the British Insurance Premium Index ("Index") is the AA copyright:

© Automobile Association Insurance Services Limited 2017. All rights reserved.

The information may only be used internally by the business ("Internal Business Use") on the following terms.

Internal Business Use means use of the information contained in the Index in reports and submissions, that do not carry advertising, in internal business activities.

It specifically excludes any commercial use and exploitation including any use whereby the user obtains direct or indirect revenue,

for example as part of any publishing activity, promotion, marketing or advertising. The AA Copyright notice must be displayed on all such information.

Press journalists may use the Index for editorial purposes without prior permission.

Any use of the Index other than as above is not permitted without the prior written consent of the AA (details below).

AA excludes all implied warranties and conditions to the fullest extent permitted by law. AA does not in any way warrant the accuracy or completeness of the Index and by using the Index the user acknowledges that it is relying upon its own skill in determining its suitability for any general or specific purpose and accepts that the Index may not be error free.

Automobile Association Insurance Services Limited is an intermediary and is regulated by the Financial Conduct Authority.

For further information, please contact Ian Crowder, telephone 01256 492 844 or email ian.crowder@theaa.com.