

Report finds significant differences in cost of motor insurance claims across EU member states

The cost of motor insurance claims varies widely across Europe, according to a report released today by Insurance Europe, the European insurance and reinsurance federation. The report found that in 2013 the average cost of motor third-party liability claims ranged from €1 200 in Portugal, to more than €5 000 in Italy and Sweden.

Bodily injury claims account for a large percentage of the total cost of motor insurance claims, and these also vary between countries. For example, average costs of bodily injury claims ranged from less than €4 500 in Estonia, Turkey and the Czech Republic to more than €20 000 in France and Greece, reflecting differences in the costs of medical treatment and in compensation practices.

It is these differences in expected claims costs, along with a range of other factors that impact the frequency and severity of car accidents, which require insurers to price premiums differently from one country to another.

Torbjörn Magnusson, vice-president of Insurance Europe, commented: "Differences in motor insurance premiums across EU member states are sometimes perceived as being inconsistent with the ideal of a single EU market. However, this diversity in premiums reflects the factors that affect claims costs. These are tied to a member state's regulatory, socio-cultural and economic environment. Insurers must account for these factors when calculating premiums in order to build appropriate financial capacity to cover their risks."

In light of these regional differences, Insurance Europe believes that the level of harmonisation currently provided by the EU Motor Insurance Directive is appropriate. It provides member states with the necessary discretion to set civil liability rules and calculate compensation awards that are suitable for their region. It also provides motor insurers with the flexibility they need to design and price motor insurance products that are appropriate for local consumers.

Magnusson said: "A motor insurance product designed to accommodate all the liability laws and regional cost factors in the EU would not address the needs of consumers at a competitive price."

The report also concludes that further access to in-vehicle data is the best way to address consumers' needs, as this information can be used to design competitive motor insurance products to meet those needs. The increasing amount of data produced with the deployment of new motor technologies can facilitate the development of sophisticated and innovative motor insurance products.

Magnusson added: "From Insurance Europe's perspective, it is vital that it is consumers who control to whom their in-vehicle data is transferred and for what purpose, so that they have access to a wide variety of service providers. The European institutions should ensure that consumers have this control and that the transmission of data is through open, interoperable, standardised and secure technology."

The report also revealed that:

- Motor insurance is the most widely purchased non-life insurance product in Europe, accounting for 27.4% of non-life business. In 2013 total motor premiums in Europe equalled €123.5bn.
- The motor insurance market is highly competitive. Around 1 000 companies provide cover for 334 million vehicles, offering a variety of motor insurance products tailored to consumer needs and local regulatory requirements.

- The leading markets — Germany, France, Italy, the UK and Spain — account for 67% of all European motor insurance premiums.

The motor report can be accessed [here](#).

- Ends -

Notes for editors

1. For further information, or to be added to our mailing list, please contact Richard Mackillican, policy advisor communications & PR (tel: +32 2 894 30 69, mackillican@insurancееurope.eu).
2. You can also receive updates from Insurance Europe, sign-up here <http://www.insurancееurope.eu/sign-up> or by following us on Twitter @InsuranceEurope.
3. Insurance Europe is the European insurance and reinsurance federation. Through its 34 member bodies — the national insurance associations — Insurance Europe represents all types of insurance and reinsurance undertakings, eg pan-European companies, monoliners, mutuals and SMEs. Insurance Europe, which is based in Brussels, represents undertakings that account for around 95% of total European premium income. Insurance makes a major contribution to Europe's economic growth and development. European insurers generate premium income of almost €1 170bn, employ over one million people and invest nearly €9 900bn in the economy.