



Sir,

LV= is not the only insurer to talk about falling motor premiums recently (“LV= hit by falling prices of motor insurance”, Feb 4). The insurance press is full of talk about plummeting premiums, although there seems to be some difficulty in agreeing the figures. I’ve yet to meet anyone who has actually noticed any real difference in the pocket.

The fall is usually attributed to reform of the way personal injury compensation claims are handled, even though the reforms were only introduced last year, with the impact still to be felt. The Association of British Insurers has said falling premiums show the industry is fulfilling its commitment to the Government that it would pass on savings made from the legal changes to customers. Perhaps unsurprisingly, it also claims that more reform will reduce premiums still further.

So LV=’s prediction that premiums will start to rise again this year will be quite a blow to the ABI’s relentless drive for law reform which will, coincidentally, direct injured drivers directly into the hands of its member insurers.

There’s no doubt that premiums could and should be reduced, but with car insurance premiums linked so closely to the Government’s policy agenda the Government must commission independent research into premiums so that we can all trust the results.

Deborah Evans

Chief Executive

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