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Motorists pay the price for insurance industry ‘racket’, say lawyers

Insurers have finally been caught with their hands in the cookie jar, said lawyers, following today’s Office of Fair Trading report on private motor insurance.

“What the OFT calls ‘dysfunctional’ and ‘inefficient’ actually reveals a host of grubby practices to line insurers’ own pockets, to the tune of an extra £225 million on car insurance premiums last year,” said Karl Tonks, president of the Association of Personal Injury Lawyers (APIL).

“For years the insurance industry has sought to blame anyone and anything but itself and its own sharp practices for high insurance premiums,” he went on. “Legal costs for compensation claims were slashed two years ago for this very reason, but premiums remained sky-high.

“This report reveals what we’ve known to be the case for a very long time – that the solution to unaffordable car insurance premiums lies in the insurance industry’s own hands. We hope this report will now kick-start an appetite for much closer scrutiny of the insurance industry and the way it operates.”

- Ends -



Notes to editors:

- The Office of Fair Trading published a report today titled *Private Motor Insurance - Report on the market study and proposed decision to make a market investigation* reference <http://www.oft.gov.uk/news-and-updates/press/2012/44-12>.
- APIL (Association of Personal Injury Lawyers) is a not-for-profit organisation whose members are dedicated to campaigning for improvements in the law to help people who are injured or become ill through no fault of their own.
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