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Autumn Statement reaction: Insurance Premium Tax the stealth tax of our time

RAC director of insurance Mark Godfrey said: “After a recent double rise in Insurance Premium Tax, this further increase is a slap in the face for motorists who will surely see their premiums once again increase. It will mean three rises in two years and a more than doubling of IPT from 5% to 12% making Insurance Premium Tax the stealth tax of our time.

“Insurance premiums have already risen by over £100 compared to last year, and motorists have told us they are feeling the pinch, with 57% telling us that their premiums have increased over the past 12 months.

“We are also concerned that the Government’s whiplash reforms, while welcomed, will not achieve savings for motorists as only a small number of insurers have so far committed to passing the savings on.

“The Chancellor may now be at risk of encouraging some hard-pressed motorists to break the law by driving without car insurance, which will further increase premiums for law-abiding drivers. We would urge the Government in the name of road safety, to reconsider this rise.”

The press office email address is press.office@rac.co.uk and media centre is at media.rac.co.uk. **Please note:** the press office is unable to help with individual customer enquiries - please visit the [RAC contacts page](#) to find the right contact.

About the RAC

The RAC, an iconic UK brand, provides complete peace of mind to nearly 14 million UK private and business drivers, whatever their motoring needs. As well as its premium nationwide breakdown assistance service – with an expert branded patrol workforce attending more than two million breakdowns every year – it offers a wide range of market-leading products across insurance, legal services, vehicle inspections and service, maintenance and repair. Included in this is the first-of-its-kind nationwide Mobile Mechanics service which brings the garage to homes and workplaces.

At the forefront of new solutions for business fleets and consumers, the RAC’s breakdown service is electric-ready with mobile EV charging technology and can be called on using [myRAC](#) – the all-in-one route planner, fuel finder and breakdown reporting app.

Visit the [RAC website](#).

Contacts



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