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Almost half of young drivers prepared to cheat the system to get lower insurance premiums

Nearly half of young drivers think it's acceptable to get cheaper car insurance via the illegal practice of fronting, new research has found.

A survey of 500 young drivers* – carried out by RAC Black Box Car Insurance – revealed that 47% are prepared to have their car falsely insured by a parent as a way of avoiding the high premiums associated with drivers under the age of 24.

Insurance industry data** shows 18 to 20-year-olds pay the highest premiums at £993 a year, ahead of those aged 21-25 who pay more than £650 – both are in stark contrast to the average UK private car driver premium of £440.

RAC Insurance director Mark Godfrey said: “Fronting is where someone other than the main driver of a car is said to be the policyholder. In the case of a young driver who is the most frequent driver of a vehicle, this tends to be a parent with a longer, proven good track record as a driver and therefore attracts a lower insurance premium than their son or daughter would.”

When asked whether they were aware that ‘fronting’ is against the law nearly six in 10 (57%) young drivers questioned said they knew it was, but interestingly this was far higher in young males (65%) than young females (49%).

Mark Godfrey added: “It’s worrying to see so many people – both young drivers and by association their parents – who are prepared knowingly to try to cheat the system to get cheaper insurance.

“It’s important for anyone who has done this to realise that it could result in invalidating the policy for everyone covered by it, not just the young driver concerned. What’s more, its illegal activities like this that increase the overall cost of insurance for all young drivers.

“The fact our research shows more young males are aware of fronting may be because they think their insurance premiums will be higher than young women’s which, of course, is no longer the case since the EU ruling that gender cannot be used in determining premium prices.”

Sixty-two per cent of the young drivers surveyed by RAC Insurance said insurance was the biggest barrier to owning and running a car, considerably more than the 22% who felt it was the cost of buying a car and 12% who cited day-to-day running costs.

Aside from the illegal practice of fronting, other ways of reducing car insurance costs identified by the young drivers surveyed included opting for a car with smaller engine (60%) and having a telematics ‘black box’ installed to monitor driving behaviour (52%).

A third (34%) said agreeing to restrictions on their driving such as a curfew or limiting mileage was another way to save money on premiums, but only 4% said they had a policy with a curfew whereas 11% had mileage limitations. The percentage with mileage restrictions rose to 16% among young male drivers.

A restriction around the number of passengers a young driver is allowed to carry in a car was also widely accepted by 22% as a way of reducing young driver insurance premiums, however only 8% said they had a policy with this. Once again, this was higher among young men (16%) compared to young women (6%).

Thirteen per cent said they already had a ‘black box’ telematics policy and nearly two thirds of those surveyed (64%) said they felt having a device fitted would lead to them driving more safely.

What’s more, nearly half of the young male drivers (47%) polled by RAC Insurance said they thought their parents would prefer them to have a black box telematics car insurance policy in contrast to just over a third (36%) of

young women, giving a combined total of 42%.

RAC Insurance director Mark Godfrey said: “It’s clear while there are a number of ways of legally lowering insurance premiums that some methods are more popular and more practical than others.

“While curfews, mileage limits and not allowing young drivers to carry young passengers could in theory reduce the cost of insurance, there is limited evidence that such restrictions have much effect on reducing premiums, let alone appeal.

“Rather than applying restrictions like these we believe monitoring young people’s overall driving behaviour via black box telematics technology is more effective, with the added benefit for the young driver of being less restrictive on their lifestyle.”

RAC Black Box Car Insurance works via a matchbox-sized device which tracks speed, braking and acceleration along with where and when the policyholder drives in order to calculate how safe they are through a Driver Score. Unlike some telematics policies, there are no curfew or mileage limits so the policyholder is free to drive when, where and how far they like.

The policyholder can keep track of their driving performance by going to the RAC Black Box Insurance portal to look at their easy-to-understand Driver Score. There are also hints and tips for improving the score through safer and more economical driving. The Driver Score is first calculated after the policyholder’s car has been driven 200 miles and is then updated every seven days after the installation date.

The RAC telematics black box takes less than an hour to fit at a time and location convenient to the policyholder and the cost of the box and fitting are automatically included in the premium. The telematics box also includes the RAC’s unique accident detection technology which allows 92% of accidents to be detected.

For further information about RAC Black Box Car Insurance visit:
www.rac.co.uk/blackbox or call 0330 1591 042.

Notes to Editors:

* Research carried out on behalf of RAC Insurance by ICM Unlimited with 500 17 to 24-year-olds – 150 learner drivers and 350 were qualified drivers.

** Association of British Insurers' data – published as part of the ABI-led voluntary agreement on age and insurance with the Government and British Insurance Brokers Association (BIBA), as part of our commitment to equality.

For more information

Simon Williams – RAC press office | simon.williams@rac.co.uk

About RAC Insurance

The RAC has provided insurance services for its members since the early days of motoring. Today, RAC Insurance has over half a million customers across a suite of products including insurance for car, home, motorbike, van, personal accident and travel, along with other niche products aimed at personal and business customers.

In 2014, RAC Insurance generated more 33m quotes while seven out of 10 customers chose to renew their insurance with the RAC.

RAC Car Insurance provides customers with great value insurance by searching a panel of carefully selected insurers to get the best possible prices. Over the years it has won numerous awards and currently holds Defaqto 5 Star status.

In line with the RAC's mission to be the motorist's champion, a multicar insurance product was launched in 2015 together with RAC Learner Driver insurance which aims to cut the cost of learning to drive for young or new drivers.

For more information visit www.rac.co.uk/insurance

About the RAC

With more than eight million members, the RAC is one of the UK's most progressive motoring organisations, providing services for both private and business motorists. Whether it's roadside assistance, insurance, buying a used car, vehicle inspections and checks, legal services or up-to-the-minute traffic and travel information – the RAC offers a solution for all motoring needs. The RAC is committed to making motoring easier, safer, more affordable and more enjoyable for drivers and road users.

The RAC is the motorist's champion and campaigns to support the interests of its members and UK motorists at a national level. This includes voicing concerns about the increasing cost of motoring, particularly the price of fuel and the high level of tax levied on it, advancing levels of road safety, and supporting the needs of all drivers, from young to old.

The RAC's annual Report on Motoring – first published in 1989 – provides a clear insight into the concerns and issues facing today's motorists.

For the very latest news on UK fuel prices, check RAC Fuel Watch or follow #racfuelwatch on Twitter. RAC Fuel Watch is a comprehensive guide to the latest UK unleaded petrol and diesel prices – both at the wholesale level and at the pump. RAC Fuel Watch analyses how prices changed through the previous month and compares the most recent prices with those from three, six and 12 months before.

Key facts:

- RAC patrols fix four out of five vehicles at the roadside and on average within 34 minutes
- RAC vans carry more than 500 parts and tools to get members' vehicles going again
- 98% of members would recommend RAC Rescue to their friends and family

Contacts



RAC Press Office

Press Contact

press.office@rac.co.uk

Emails monitored during normal office hours. For breakdown queries, call 0330 159 0740

ISDN number on request