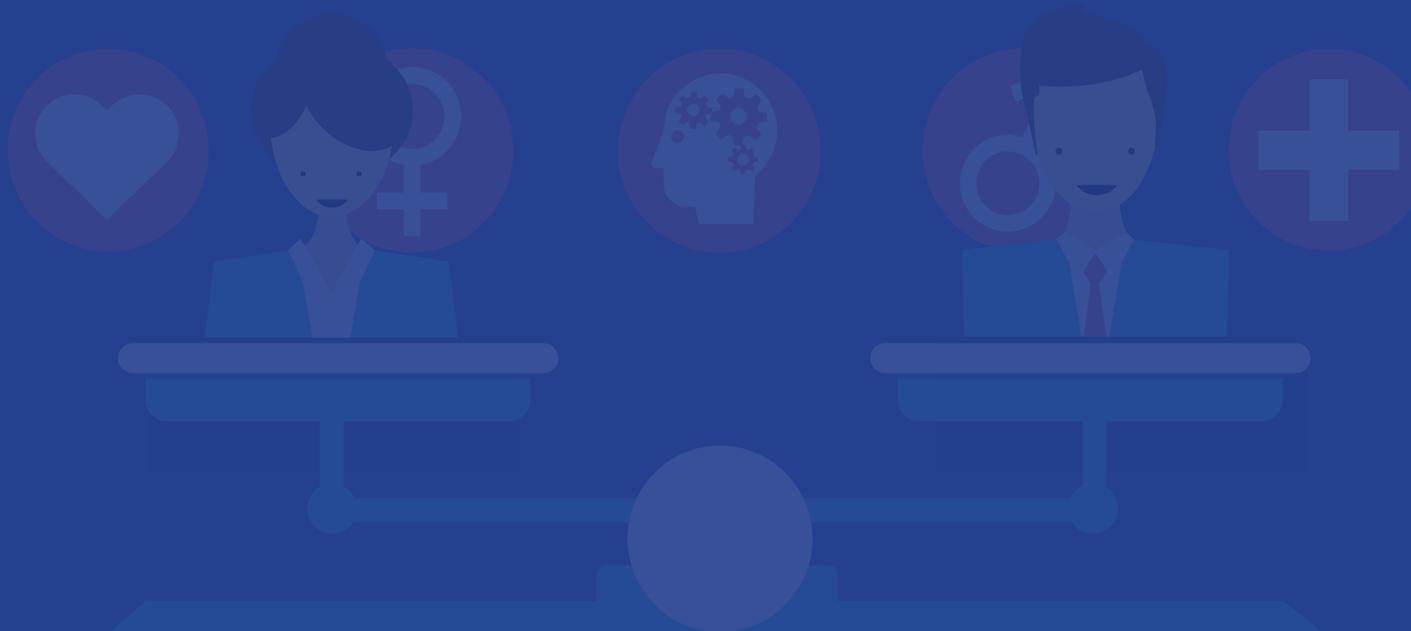
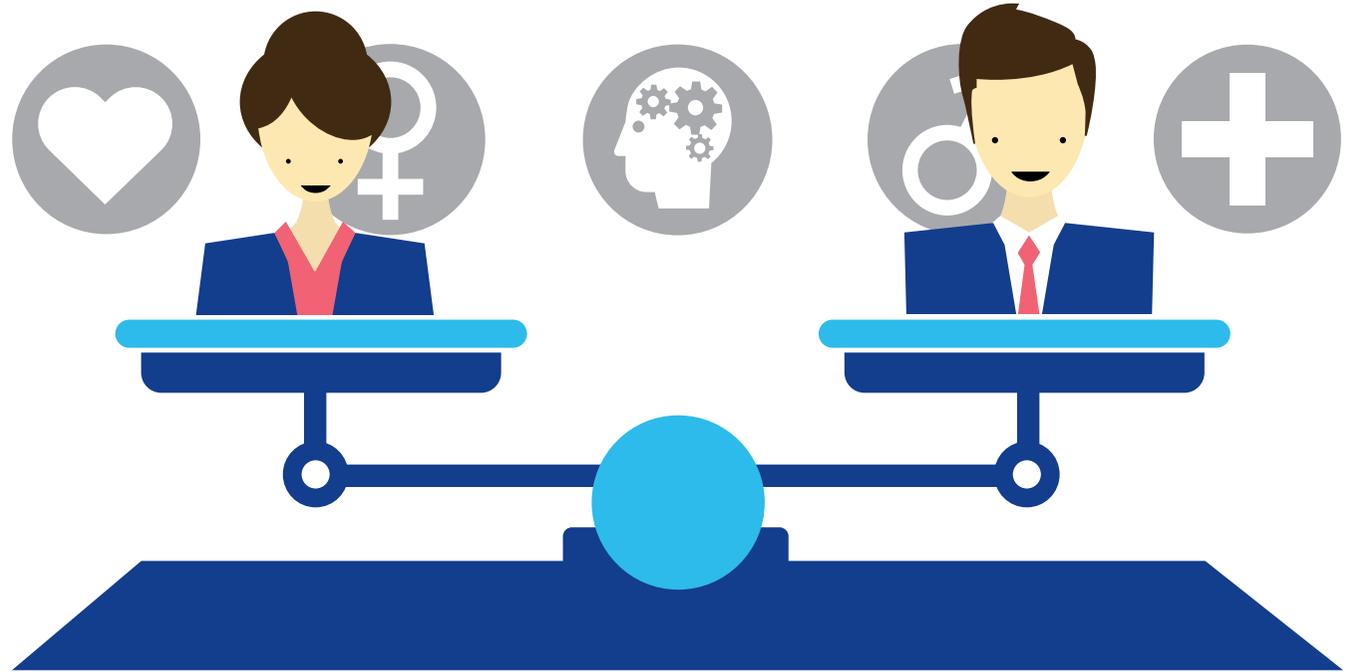


A CONFUSED.COM FACTSHEET

# Effects of the EU Gender Directive on Motor Insurance, Life Insurance & Annuities



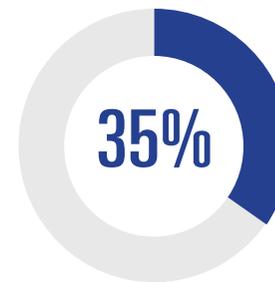


The EU Gender Directive, which comes into force on 21 December, will likely lead to a rise in the cost of insurance for millions of Brits. However new research<sup>1</sup> carried out in November 2012 by Confused.com found that...

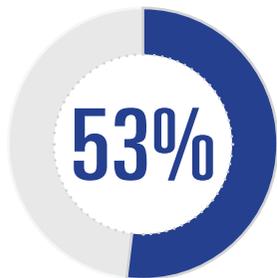
- Only 53% of people have heard about the **EU Gender directive**. Of those who have heard about it, less than 5% got the update from their insurer, with the vast majority (81%) relying on media for their updates.

Only 35% of people polled expect to be affected by the EU ruling.

- In the North-east, awareness is especially low with only 38% of people having heard of the directive yet the most knowledgeable region is the South-west with over half the population having heard about the EU Directive - 54%.
- More than two-thirds of people (69%) are not worried about the directive and more than half (53%) have no plans to do anything about it, simply accepting that their premiums are likely to increase (47% believe their premiums will be



expect to be affected by the EU ruling



of people have heard of the EU Gender Directive

higher after the directive comes into force).

- Women who are aware are worried about the directive with 41% of women stating it is a concern for them.

# Car insurance

- Annual car insurance premiums could increase by 24%: this represents an average of £2582 for women under 25.
- 17 to 25-year-old females could be paying more than £1,200 a year for their car insurance<sup>2</sup>.
- 17 to 25-year-old females in central London are likely to be the hardest hit.
- The research showed that 55% of women anticipate a rise in their car insurance premium, estimating an average rise of around £58. However the hikes will typically be much higher

than this equating to as much as £299 each for 17-25 year olds.

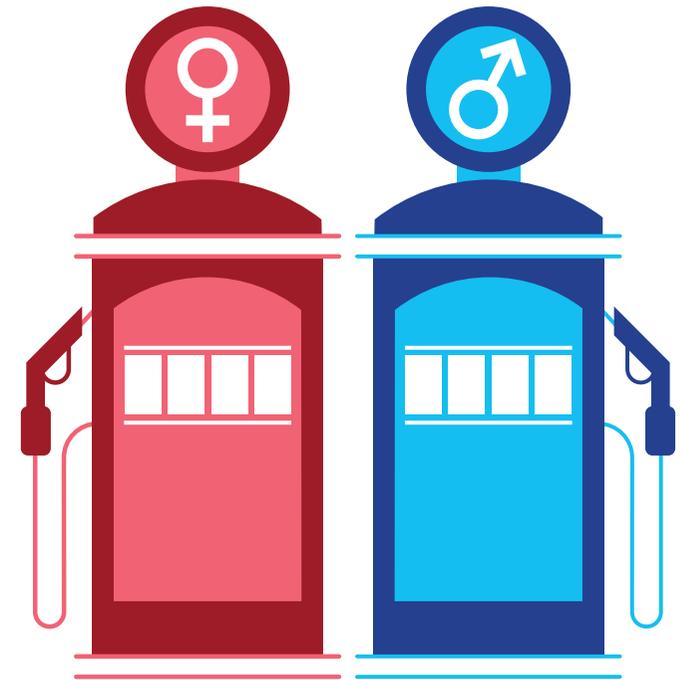
Currently, car insurance for women generally costs less than their male counterparts because they are statistically safer behind the wheel - that is, women drivers have fewer accidents and make fewer claims.

But, as of 21 December, women's car insurance premium will be brought into line with men's.

This means that women's premiums are likely to be raised significantly.

Government estimates suggest women's car insurance premiums could rise by up to 24 per cent for females aged 17 to 25, a rise of around £299.

But this doesn't mean that older men and women will be unaffected by the EU gender ruling.



**“We expect to see prices rise for female drivers and to a greater extent for younger women rather than older ones. We are predicting a rise of 24% for these younger female drivers”**

—Head of car insurance at Confused.com  
**Gareth Kloet**



**of women expect  
car insurances  
premium to rise**

## Predicted Car Insurance Prices for Women<sup>3</sup>

Age Group	Average Car Insurance Premium	Forecasted % change due to EU Gender Directive	Value £ change	New average car insurance premium cost
17-25	£1247	+24%	£299	£1546
26-30	£711	+18%	£128	£839
31-35	£534	+10%	£53	£587
36-40	£502	+3%	£15	£517
41-45	£625	+1%	£6	£631

Data sourced from Confused.com Towers Watson Q3 2012. Percentage changes forecasted by HM Treasury

## Five Most Expensive Regional Car Insurance Prices For Women Aged Between 17-25<sup>3</sup>

Regions	Average Car Insurance Premium for women (17-25)	Forecasted % change due to EU Gender Directive	Value £ change	New average car insurance premium cost
Inner London	£2096	+24%	£503	£2599
Manchester/ Merseyside	£1926	+24%	£462	£2388
Leeds/ Sheffield	£1560	+24%	£374	£1934
West Midlands	£1540	+24%	£370	£1910
Outer London	£1521	+24%	£365	£1886

Data sourced from Confused.com Towers Watson Q3 2012. Percentage changes forecasted by HM Treasury

Gareth Kloet, Head of Car Insurance at Confused.com, says:



“In recent months it’s hard to conclude anything other than the motor insurance market remains highly competitive with prices falling for the majority of people. The EU gender directive which takes effect on 21 December however looks likely to spoil things, bringing uncertainty into the market once again and is likely to result in different insurance companies adopting different strategies to gain and retain the best business.

“We expect to see prices rise for female drivers and to a greater extent for younger women rather than older ones. We are predicting a rise of 24% for these younger female drivers.

“Our advice to customers is simple: shopping around on a price-comparison site such as Confused.com will help you hunt out the best deals, chose the policy that’s right for you and get the most affordable cover to keep you on the road.

“Female drivers are also being encouraged to consider buying next year’s policy before the Gender Directive takes effect so that they can secure new policies at today’s prices.”

# Life insurance

- Currently women are paying up to 22%<sup>4</sup> less than men of the same age group. However this may change after 21 December.
- Older age groups will be more strongly affected by the gender ruling.
- As premiums for life insurance are hugely dependent on age (the primary rating factor), the people who potentially stand to gain the most from getting life insurance sorted before 21 of December are older women who are looking for higher cover amounts.

“After age, gender was probably the most stable and useful long term indicator of risk, and post 21 December and unfortunately it’s not something that can be easily replaced.”

—Head of life insurance at Confused.com  
**Matt Lloyd**

## Predicted Life Insurance Prices for Women<sup>5</sup>

Age Group	Current Life Insurance yearly premium Cost - Nov 2012	Forecasted % change due to EU Gender Directive	Value £ change	New average Life insurance yearly premium cost	Predicted cost for 20 year Life insurance plan after the 21st December
21	£53.52	12.56%	£6.72	£60.24	£722.88
31	£61.80	13.01%	£8.04	£69.84	£838.08
41	£102.72	18.93%	£19.44	£122.16	£1,465.92
51	£233.64	22.96%	£53.64	£287.28	£3,447.36
61	£690.84	22.44%	£155.04	£845.88	£10,150.56

*Quotes based on female non-smoker with 20 year level term policy with £100,000 assured with no critical illness. - Nov 2012*

Currently, women generally pay less for **life insurance policies** than men.

This is because women tend to live longer and are also less likely to die in

comparison to men over the term of the product, and so are less likely to make a claim on a life policy.

But from 21 December, this will change due to the gender ban.

According to exclusive research by Confused.com, the cost of **life insurance for women** could rise by as much as 22%<sup>4</sup>.

Matt Lloyd, Head of Life Insurance at Confused.com, says:



“Not everyone is aware of the upcoming EU Gender Directive, but we really should be because it directly affects all of us- and it’s coming into play in a matter of days! As of 21 December, insurance companies will no longer be able to use gender as a rating factor when calculating insurance premiums.”

“After age, gender was probably the most stable and useful long term indicator of risk, and post 21 December and unfortunately it’s not something that can be easily replaced.”

“This really is a major change for insurers because up until now, gender was probably the second most important rating factor (behind age) when calculating life insurance policy prices. This change means that when women purchase life cover they could see themselves paying more for their premiums than before - in fact, for life insurance policies, women may have to potentially pay up to 22% more.

“Therefore it will be really interesting after the 21 December, to see how insurers respond to this and I think the successful insurers will be the ones who are creative and come up with alternative rating factors.”



Times are tight across the country so with the price of our motor and life insurance about to be affected, it’s vital that people look into how they can save every penny. There are a few simple and effective tips when it comes to saving on insurance policies, such as:

- Strike while the iron’s hot: Women considering setting up life cover or needing to renew their motor insurance policies should look into doing so ASAP before 21 December as they are statistically cheaper to insure under the current insurance guidelines
- Think ahead: Life insurance is generally set up for 20, 25 or even 30 years, so people who set their life policies up before 21

December may save the 22% on their annual policy, but they could also enjoy the 22% saving on each of the 20/25/30 years their policy is set up for. In some cases, this could be a saving of hundreds or even thousands of pounds so is well worth doing!

- Shop around: The key to saving money on any purchase is shopping around and comparing your options - Confused.com takes care of all the hard work and running around for you and comes back to you with the cheapest options for what you need, and when you’re talking about policies that can cost hundreds of pounds, it’s important to make sure you’re getting the cheapest option possible

# Annuities

An annuity is used to convert a pension pot into an annual income. It pays out a guaranteed income during your retirement, so you know how much you'll receive each month until you die.

Until now, women have been getting a worse deal than men on their annuity rates to reflect the fact they will live longer, and therefore the income has to stretch further.

Men enjoy a higher pension income because they have a shorter average life expectancy - and collect fewer years' pension payments.

Initial re-pricing by Prudential and Aegon are showing annuity rates have fallen between 1 to 6 per cent for men, while women's rates have increased by 6 to 11 per cent.<sup>6</sup>

Kate Rose, Head of Annuities at Confused.com, says:



“Annuity rates have been decreasing steadily since 2009 and for men who have been saving for decades towards their retirement income, the impacts of the EU gender directive could leave them feeling somewhat deflated.

“Male annuity rates have historically been higher than female; however with gender neutral pricing coming into effect, men

are likely to see their annuity rates falling to nearer the female rates.”  
“Whilst many providers are yet to show their hand, a couple have, and early reports suggest that men could lose out by between 1-6%.”

“Men coming up to retirement should consider acting quickly to get the best possible rates, however with early reports of increases between 6-11%, women may want to hold off to secure better rates.”

“No matter what your gender, we strongly urge all consumers to compare their options rather than accepting the offer they receive from their pension provider to ensure they get the best value and most suitable annuity for them.”

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**“Men coming up to retirement should consider acting quickly to get the best possible rates, however with early reports of increases between 6-11%, women may want to hold off to secure better rates.”**

—Head of annuities at Confused.com  
**Kate Rose**

# GENDER DIRECTIVE IMAGES

Below is a sample of the many images we have commissioned to illustrate the EU Gender Directive. Please contact us if you would like to use them.





# Notes to editors

1 The survey of 2000 people was completed by OnePoll on behalf of Confused.com in September 2012. All figures are rounded to the nearest 1%

2 Data taken from the Confused.com/ Towers Watson Car Insurance Price Index for Quarter 3 of 2012

3 Using Confused.com/ Towers Watson Q2 2012 car insurance price index data and the predictions of the HM Treasury [http://www.hm-treasury.gov.uk/d/condoc\\_insurance\\_benefits\\_and\\_premiums.pdf](http://www.hm-treasury.gov.uk/d/condoc_insurance_benefits_and_premiums.pdf)

4 Predicted percentage increase is the difference between male and female prices. This is based on the difference between a male and female level term policy with a sum insured £100,000, over 20 years and non-smoking at 51 years old.”

5 Predicted percentage increase is the difference between male and female

prices. This is based on the difference between a male and female level term policy with a sum insured £100,000, over 20 years and non-smoking over the various ages 21, 31, 41, 51 & 61.”

6 Prudential and Aegon have re-priced their annuities - and while men may be losing up to 6%, women gain as much as 11%

## Media information

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Email [Sarah.wenham@confused.com](mailto:Sarah.wenham@confused.com) or phone 07788310289

### About Confused.com

Confused.com was the UK's first price comparison site for car insurance.

Confused.com is one of the UK's biggest and most popular price comparison services. Launched in 2002, it generates over one million quotes per month. It has expanded its range of comparison products over the last couple of years to include home insurance, travel insurance, pet insurance, van insurance, motorbike insurance, breakdown cover and energy, as well as financial services products including credit cards, loans, mortgages and life insurance.

Confused.com is not a supplier, insurance company or broker. It provides an objective and unbiased comparison service. By using cutting-edge technology, it has developed a series of intelligent web-based solutions that evaluate a number of risk factors to help customers with their decision-making, subsequently finding them great deals on a wide-range of insurance products, financial services, utilities and more. Confused.com's service is based on the most up-to-date information provided by UK suppliers and industry regulators.

Confused.com is owned by the Admiral Group plc. Admiral listed on the London Stock Exchange in September 2004. Confused.com is regulated by the FSA.

# Further gender research



## UK caught in the gender blender

Confused.com has compiled this comprehensive report on how the population looks at gender, how the gender lines are being blurred and what effect this is having on wider society, not just our financial products.

Visit <http://www.confused.com/eu-gender-directive/uk-caught-in-the-gender-blender-report> to download the full report.



## Britain's Worst Driver

Confused.com has launched a new video campaign that follows the escapades of anti-hero and Britain's Worst Driver 'Charlie DeFouncis,' who obnoxiously tests the benefits of being a member of the fairer sex to its limits, in order to highlight the impending EU Gender Directive.

Visit <http://www.youtube.com/user/BritainsWorstDriver> to catch up on Charlie's exploits.



**21.12.2012**

## EU Gender Directive hub

Confused.com has compiled this hub page with all the information consumers need to know on how the EU Gender Directive will affect them.

Visit <http://www.confused.com/eu-gender-directive>.