

## **Only 21% of motor insurance policies provide legal cover for uninsured loss recovery as standard**

Independent financial research company Defaqto has analysed 223 comprehensive motor insurance policies and found significant variations in comprehensive motor insurance policies for those looking to reclaim costs for uninsured losses.

- 21 % provide Uninsured Loss Recovery (ULR) cover as a standard feature
- 28% don't provide ULR cover at all
- 51% provide ULR as an optional extra

Mike Powell, Insight Analyst for General Insurance at Defaqto said: "Many motor insurance policies offer legal services at an optional extra premium to cover the motorist's legal costs to pursue a claim following an accident. It would also cover the provision of a legal helpline or legal assistance to recover any uninsured losses, such as a policy excess, medical fees or damages for injury after a motor accident."

Mr Powell continued: "It's not unusual to be offered a number of optional extras when you buy your car insurance. What is important is that consumers check that they have their required features within their policy as we all have different needs. For example we recently conducted a survey of 5,000 motorists<sup>1</sup> and found that those aged 55 to 65 were most concerned about policy excesses being imposed following an accident."

Defaqto recommends two simple checks if this is an important feature within your motor insurance:

1. Check if you have the cover included as standard or if it is an optional paid extra. The average additional cost is £21.80 but can be as high as £35 a year
2. Check the maximum sum assured: this typically varies from £50,000 to £100,000.

Defaqto provides Star Ratings for motor insurance policies. Consumers can use Defaqto Star Ratings as a guide to help them choose the overall level of features and benefits offered by insurance policies. Policies offering a basic level of features and benefits would be rated as 1 Star and those with the most comprehensive range of benefits a 4 or a 5 Star. Visit [www.defaqto.com/stars](http://www.defaqto.com/stars)

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### **Notes to Editors:**

<sup>1</sup> Defaqto conducted consumer research across 5,000 consumers asking them to rate which features of motor insurance are most important to them. The results enable product providers to understand which product features are most valued by certain consumer types and assists them in optimising all parts of the product lifecycle, from product development to underwriting, and from marketing to customer services.

If you would like further information on the consumer research please contact [mediaenquiries@defaqto.com](mailto:mediaenquiries@defaqto.com)

### **About Michael Powell**

Mike joined Defaqto in November 2003 from MCE insurance brokers where he held the role of project manager. Prior to that he has held various management roles with high street brokers such as Colonnade and Endsleigh. He has been in the industry for over 25 years working within the personal

and commercial lines broker market. Mike was our lead researcher at Defaqto in the commercial and motor insurance product areas until October 2007 when he was promoted to his current role.

<http://www.defaqto.com/media-centre/mike-powell>

**For further information contact:**

Michael Powell

01844 295 522

[mediaenquiries@defaqto.com](mailto:mediaenquiries@defaqto.com)

3 August 2010

**About Defaqto:** [www.defaqto.com](http://www.defaqto.com)

Defaqto is an independent financial research company specialising in rating, comparing and analysing financial products.

Since 1994, Defaqto has built the largest, whole of market, financial product database and become one of the leading providers of financial product data in the UK. We now cover over 30,000 products across banking, life, pensions, investments and general insurance.

Our experts validate and analyse the data to provide insight and consultancy to all layers of the financial services sector including IFAs, mortgage and general insurance brokers, providers, web aggregators and the public sector.

Our products and services include the following:

**Defaqto Star Ratings**

Our Star Ratings reflect the quality of a financial product and help to identify the range of features and benefits in each one. We review and assess every financial product across various categories and award a Star Rating from 1 to 5. The ratings are aimed at helping consumers and advisers decide which product suits their specific needs. Providers also use the ratings to ensure they offer products to meet differing consumer demands.

**Aequos Online**

An extensive, independent, financial product analysis and comparison database available in the UK. The database contains feature, rate and fees information on more than 30,000 products from nearly 2,000 providers. Our customers include leading insurance and assurance companies, banks and building societies and investment organisations.

**Defaqto Engage**

An integrated system for independent financial advisers (IFAs) and insurance brokers. The system makes the reporting, analysis, recommendation and review process easy, delivering the perfect product to meet client needs.

**Defaqto Compare**

An interactive, comparison tool enabling consumers to easily compare product features against each other on a host of key features, using a simple 'traffic light' system.



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