

Road rage cover only offered by one in eight policies

Independent financial research company Defaqto's annual report on the motor insurance industry has found that only one in eight policies offer any cover for road rage incidents.

This comes despite Defaqto's consumer research that identified cover for road rage incidents as an important differentiator for consumers when deciding on policy purchase, particularly among drivers aged 55-plus.

94% of motor insurance policies in 2010 do not offer any cover for road rage, although this is still an improvement from 2005, when the figure was 99%. Benefit limits range from £500 to £5,000 and usually cover costs incurred for professional counselling, although some also give a benefit for physical assault.

Mike Powell, author of the report and Defaqto's Insight Analyst for General Insurance, said: "Although this is a potentially useful benefit, the exclusions under this section are very clear and could make claiming difficult. Exclusions include incidents caused by a relative or a person known to the policyholder, or incidents caused or contributed by anything said or done by the insured person or passenger in the car. In the heat of the moment, many people may find it difficult to stay calm, and it could therefore be hard to prove to the insurer that the insured person did not contribute to the situation by anything that was said."

The report provides an overview of the motor insurance sector in the UK, including:

- Market size
- Current issues, including 'fronting' and 'claims farming'
- Distribution and the growth of aggregators
- Environmentalism and safety
- Product trends

The in-depth report also includes findings from Defaqto's consumer research, which asked a sample of 5,000 respondents to rank the importance of 45 different product features. The results of this have been aggregated into Defaqto's research tools and methodology to help providers with their product development and marketing.

The full motor insurance report is available on Defaqto's website:

www.defaqto.com/adviser/insights/motor-report-2010

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Notes to Editors:

A copy of the full report is available to journalists. Please email mediaenquiries@defaqto.com

About Mike Powell, author of the report

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.

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About Defaqto: 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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