

British car Insurance - 2'05 -Transcript

Britain's system of car insurance has been turned on its head by the European Court of Justice.

For decades, British motorists have paid insurance premiums based on their sex. The rationale for this was that men were far more likely to have accidents than women, and the average repair bill for men was higher.

Britain's insurance industry has until December 2012 to comply with the new ruling. The court's decision is bad news for women, who are expected to pay an extra 25 per cent for their motor insurance. Young female drivers aged between 17 and 26 are likely to be hit hardest. Industry analysts claim their premiums could jump by as much as 40 per cent. It's good news for men as they will see their rates fall by 10 per cent.

The insurance ruling was designed to end what the court saw as gender discrimination in Britain's car insurance industry. However, many insurance companies are up in arms at the decision with one insurer calling it "breathhtaking stupidity".

They say statistics clearly show that men, especially those in the 17-26 age bracket, cause the most accidents and are therefore a higher risk. In all other areas of insurance high risk automatically carries higher premiums.

The website confused.com wrote women drivers, "cause less serious accidents and make less expensive claims than their male counterparts" and called the ruling a "gender tax on women". Another site, GoCompare.com, said: "Few drivers will welcome this ruling."