

The Group Rating System

How the System Works

Over half of all money paid out in motor insurance claims goes on repairing cars. The cost of spare parts and the times taken by repairers are therefore major factors in pricing motor insurance.

The factors used to calculate group ratings are:

- **Damage and Parts Costs** The likely extent of damage to each car model and the cost of the parts involved in its repair. The lower these costs, the more likelihood there is of a lower group rating.
- **Repair Times** Longer repair times mean higher costs and the greater likelihood of a higher group rating.
- **New Car Values** The prices of new cars are taken into account as they are often a good guide to the cost of replacement and repair.
- **Parts Prices** A standard list of 23 common parts is used to compare one manufacturer's parts costs to another. The lower these costs, the more likelihood there is of a lower group rating.
- **Performance** Acceleration and top speed are important factors. Insurers know very well, from their claims statistics, that high performance cars often result in more frequent insurance claims.
- **Safety** Cars that are fitted with an Autonomous Emergency Braking (AEB) system are less likely to be involved in low speed front to rear accidents, therefore where AEB is fitted as standard this will be taken into account and will reduce the insurance rating.
- **Bumper Compatibility** The alignment and structure of front and rear bumpers is an important factor in how cars perform in a front to rear accident. Those cars with bumpers that meet the insurer's criteria and are therefore compatible receive lower insurance ratings.
- **Car Security** Security features fitted as standard equipment by motor manufacturers can help to reduce insurance claims costs. Such features include high security door locks, alarm/immobilisation systems, glass etching, coded audio equipment, locking devices for alloy wheels and visible VIN numbers.

Recommended Group Ratings

The group ratings are recommendations only. Individual insurers will generally use these ratings as a key input to their underwriting process but will also take account of their own claims experience to guide their pricing decisions.

Suffix (A, D, E, U, P, G)

Attached to most of the advisory group ratings is a suffix, which illustrates the level of security fitted as standard to that vehicle. The level is group dependent and the requirements increase along with the group. (The higher the group, the higher the level of security required.) A further explanation of the suffix follows:

A = Meets security requirement for this group.

D = Does not meet the security requirement for a car of this type and the group rating has therefore been increased. (e.g. A group 9 car where the security requirement is not up to Thatcham's minimum standard for that group will be listed as a 10D.)

E = Exceeds security requirement for a car of this type and the group rating has therefore been reduced. (e.g. A group 9 car where the security requirement exceeds Thatcham's minimum standard for that group will be listed as an 8E.)

(It will be seen from the above that the level of security on a vehicle could result in a two group differential between otherwise identical models.)

P = Provisional - This is used in cases where the data for group rating was incomplete at time of launch.

U = Cases where the level of security for the model concerned is regarded as Unacceptable. This does not mean that the car will be uninsurable but consumers should be aware that individual insurers may insist on the security being upgraded before providing cover.

G = Import - Insurance Group Ratings are currently only allocated to vehicles built for the UK market, although our data will list vehicles that are classed as imports. These fall into two categories: -

Parallel Imports - these are vehicles that are built for and sold in Europe and will conform to European Whole Vehicle Type Approval requirements.

Grey Imports - these are mainly vehicles that are built specifically for other, non-EU, markets and are unlikely to conform to European Whole Vehicle Type Approval.

Buying a Car

Motorists planning to buy a new car should check, in motoring magazines or through the 'My Vehicle' section of our website, the insurance group rating of the exact model they have in mind. The higher the group number the higher the premium is likely to be. Insurers are not required to follow the advisory group ratings and it is therefore advisable to compare premiums before making any purchasing decision based on the insurance group.