



Marcuson Consulting

Briefing Note:

Preliminary Analysis
UK Motor Market 2025

May 2026



Introduction

This Briefing Note presents the findings from our preliminary analysis of the UK motor market. It is based on the 2025 public disclosures of UK motor insurance firms who published their SFCRs in time for inclusion.

2025 saw the following developments in the UK motor insurance market:

1. A sharp fall in market-wide written premiums, reversing the strong growth seen in 2024.

BUT

2. Continued strong profitability, confounding forecasts: Despite sustained premium decreases over the year, firms have reported a benign claims environment and a second year of bumper profits.

Analysis undertaken

We have gathered data from the QRT disclosures in the SFCRs of the 25 firms who were earliest to publish this year. This group represented nearly 90%* of the UK motor insurance market by gross written premium in 2024. Later in 2026, we plan to expand this dataset to include the remaining firms, including many of whom are based in Gibraltar.

Our study looks at three key aspects of these firms: market share, profitability and financial strength.

Key Findings

Total gross written premium** in the UK motor insurance market shrunk by 4% between 2024 and 2025.

Disclosed motor combined ratios in Solvency UK regulatory returns** have improved, falling from 87% to 84%. 23 out of the 25 firms included in this report disclosed combined ratios below 100% in their QRTs, up from 20 of these firms achieving this result last year.

The median Solvency Ratio among firms in this study was 171%, a 2% increase from last year.

The top-5 insurers, (the "A-Team") accounted for 64% of the UK motor market, a slight decrease from 2024.

Based on disclosures included in this report, Gibraltar-based insurers make up 35.8% of UK motor insurance premium underwritten during 2025, a small increase from 2024*.

* Excludes Lloyd's and UK branches of non-UK insurers.

** See page 9 for methodology.

Market Share – Who is in the driving seat?

In our study last year, we introduced the “A-Team”, being the 5 largest UK motor insurers or groups of insurers when measured by their UK motor insurance GWP. These firms, who dominate the UK motor insurance market, are: Aviva (including DLG), Admiral, Allianz (including LV and Highway), Hastings (aka Advantage) and Ageas (including esure and Acromas).

This year, Ageas slipped from 3rd largest to 5th largest, shedding c. 13% of premium. At the same time, Hastings, the only one of the 5 to have grown (at nearly 16%) moved up to 4th place and, if it continues this trajectory, will soon overtake Allianz.

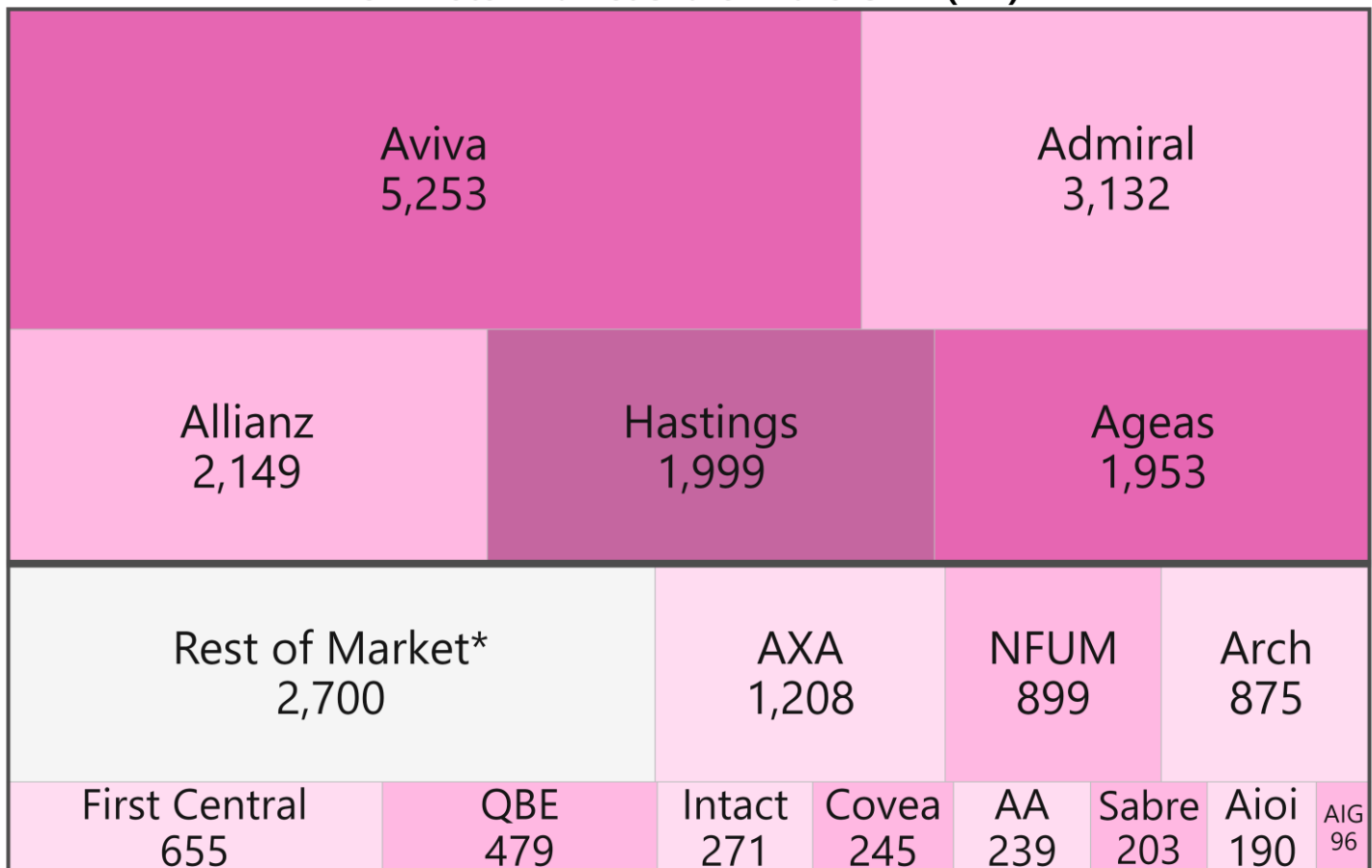
In absolute terms, Aviva reduced its top-line by the most, losing c. £550 million (9%) of its 2024 GWP.

We expected some shrinkage to arise as Aviva, Allianz and Ageas consolidated recent acquisitions and (we presume) sought to remediate underperforming segments. But these changes led us to ask where this business has moved and whether the new underwriters will have been able to price it profitably.

Time will tell...

Chart 1 UK motor market 2025 gross written premium grid. Firms under common control have been consolidated into a single box.

UK Motor Market Share - 2025 GWP (£m)



* Estimated figure based on 2024 market share

Market profitability - As good as it gets?

2025 proved a remarkable year, confounding forecasters, ourselves included. While premiums fell markedly from the high of 2024, claims fell further. Admiral continued to be the largest contributor to market-wide underwriting profits, assisted by some prior year reserve releases.

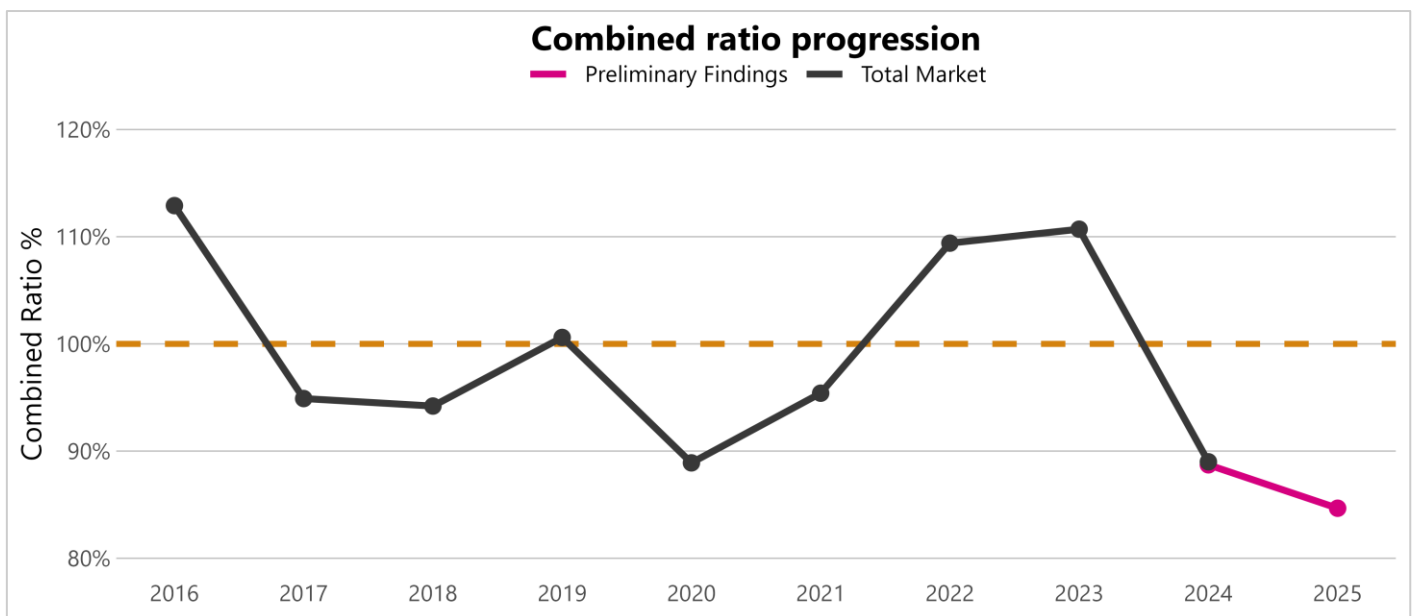
Further investigations are needed to make sense of the unexpectedly good results in 2025, but we expect that the reasons will fall in three key domains:

- **Road and vehicle safety improvements.** Are we seeing a tipping point in claims as a result of the cumulative effects of vehicle safety enhancements and the prevalence and enforcement of 20mph speed limits across the country?
- **Social and economic factors:** With rising fuel costs, are drivers slowing down on motorways to preserve fuel efficiency? Are policyholders more reluctant to submit a claim that might push up their insurance premiums? Are younger drivers, through telematics and changing social attitudes, becoming less risky?
- **Balance sheet management:** Did firms strengthen their reserves in 2024 off the back of exceptional profits and if so, is some of this now feeding back into their bottom-line results?

Chart 2 Progression of the UK motor insurance industry's combined ratio from 2016 to 2025 inclusive showing the continued improvement in profitability. The black line (2016 to 2024 inclusive) shows the total market. The pink line (2024 and 2025 only) shows the aggregate position of the firms included in this preliminary analysis.

Comprising nearly 90% of the market by gross written premium, we expect that the total market position will follow the pink line closely. Note that in 2024, the early reporting firms outperformed the rest of the market, so there was a small increase in the COR between our preliminary and updated market analysis reports.

In order to show firms' results on a comparable basis, our combined ratio measure excludes PPOs and unallocated expenses. Therefore, actual underwriting profits are likely to be lower than presented here.

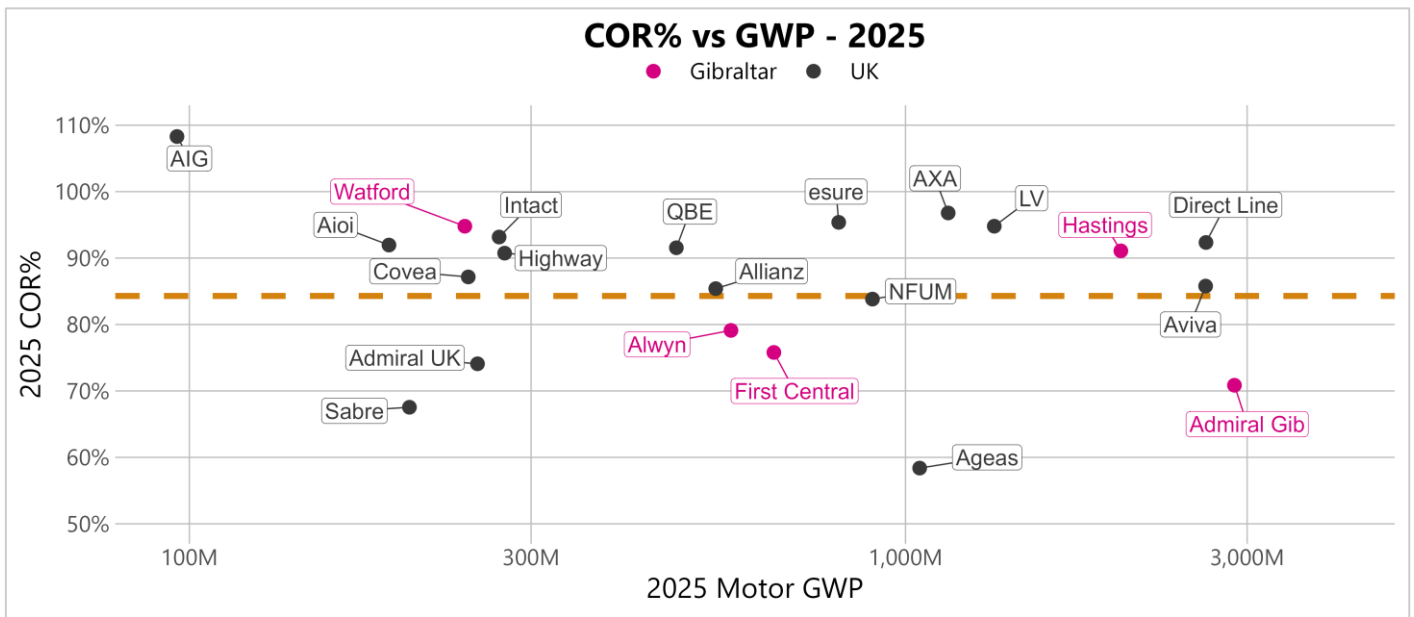


Detailed Exhibits

The charts on the next few pages plot the following disclosures for the firms included in this preliminary analysis against one another. See page 9 for methodology details.

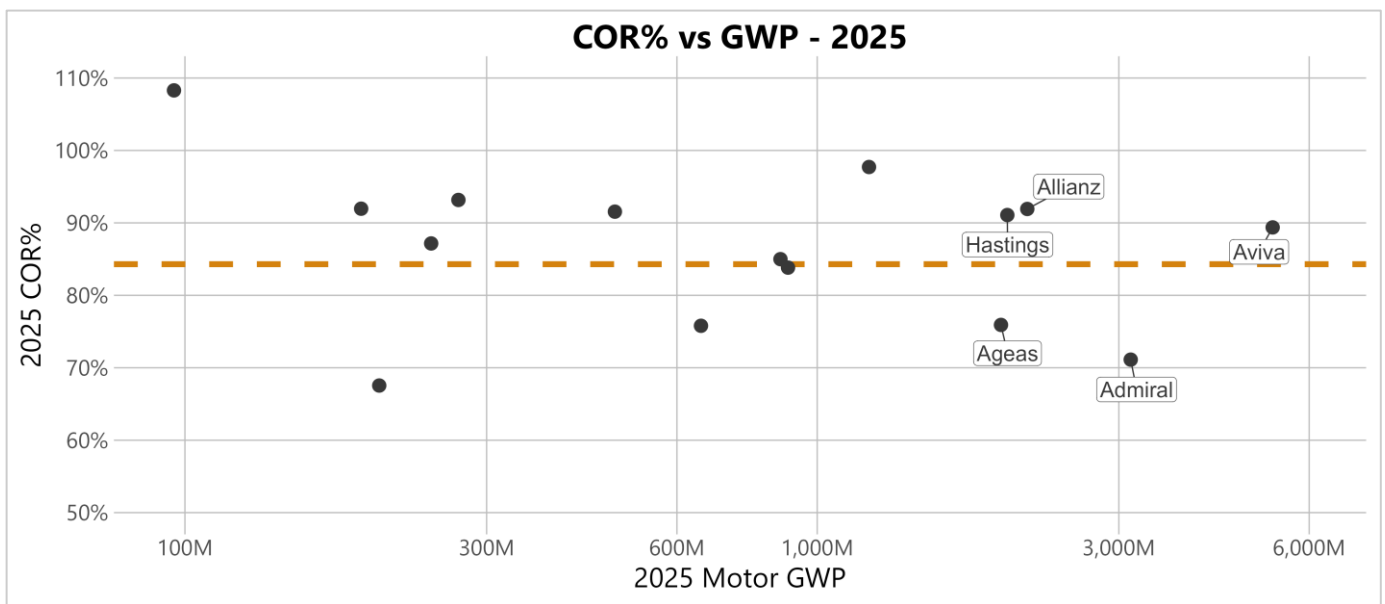
- Gross Written Premium (GWP)
- Combined ratio (COR)
- Solvency Ratio
- GWP Growth: (2025 GWP divided by 2024 GWP) minus 1
- Change in COR: 2025 COR minus 2024 COR

Chart 3 2025 COR plotted against 2025 GWP. Almost all firms disclosed CORs below 100% for 2025. There is no clear pattern suggesting that either larger or smaller firms are disclosing better results.



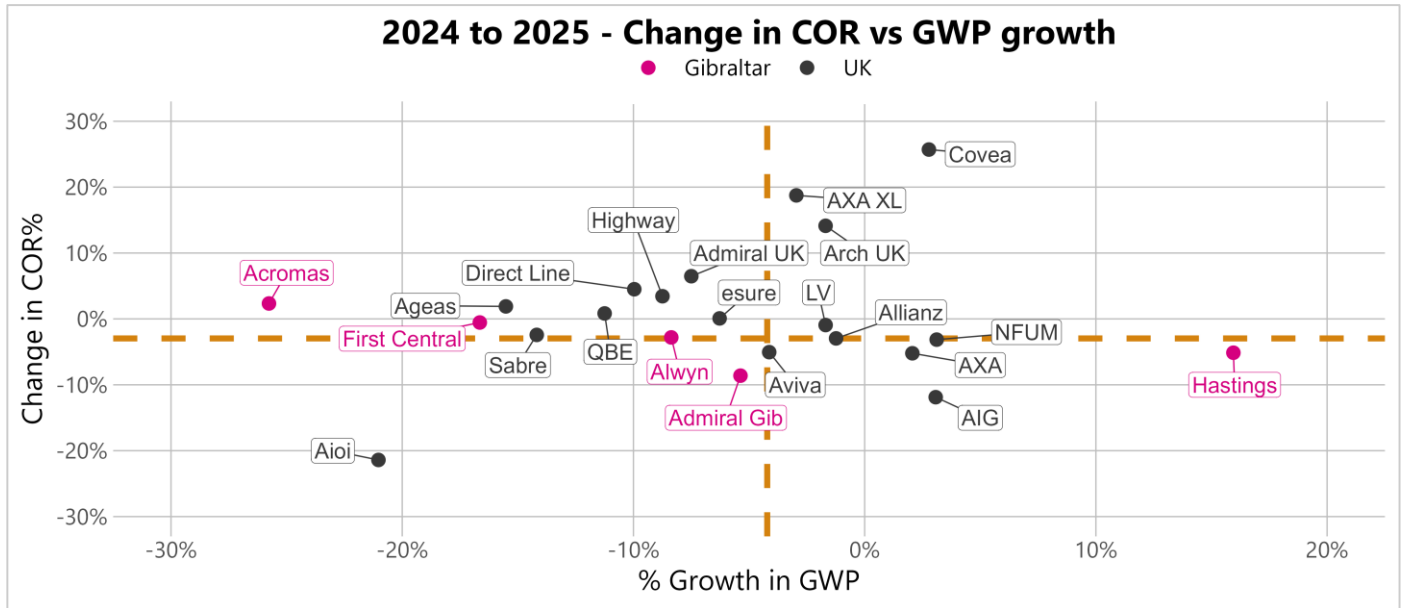
The following firms are not shown due to having data points outside the plotted range: AA, Acromas, Arch UK, AXA XL

Chart 4 2025 COR plotted against 2025 GWP. Here we have presented groups on a consolidated basis and have highlighted the A-Team insurers. While the logarithmic scale used here masks the effect, the current smallest of the group (Ageas) had a 2025 GWP that was over 60% greater than the next largest firm, (AXA).



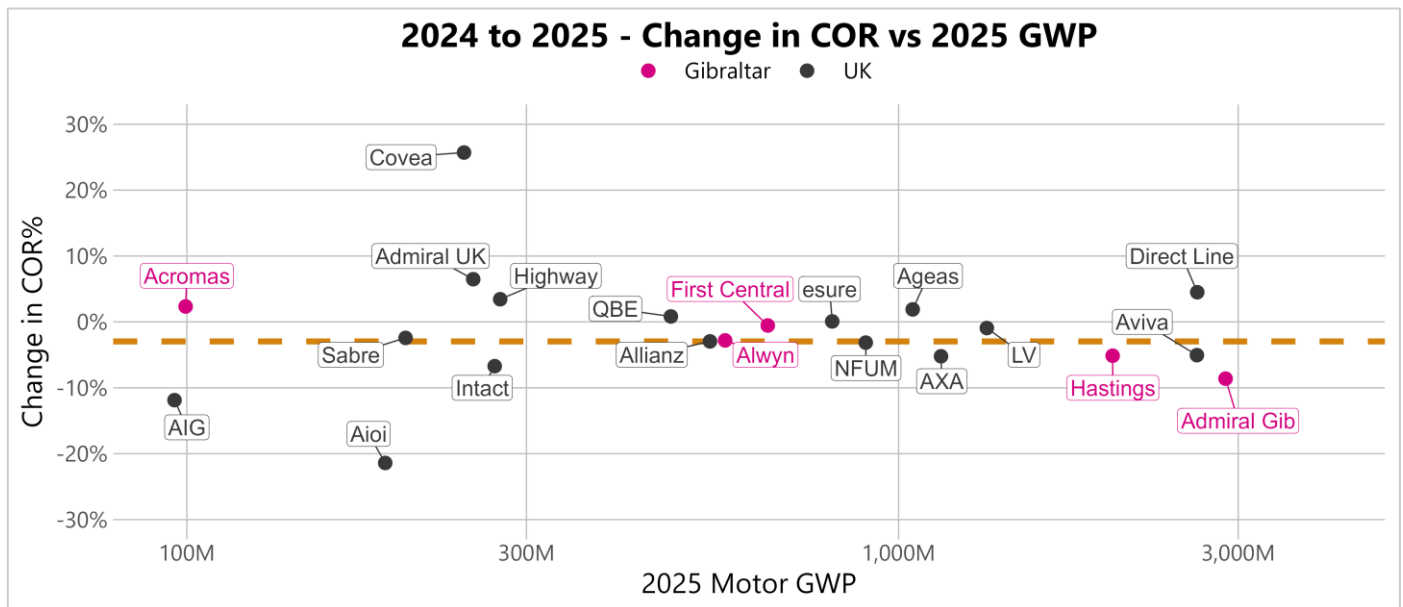
The following firms are not shown due to having data points outside the plotted range: AA, Acromas

Chart 5 Change in COR plotted against Growth in GWP. The vertical and horizontal lines show the aggregate change across the firms reviewed, with the GWP shrinking by 4% and the COR improving by 3%. Only 6 firms in this study grew their GWP between 2024 and 2025.



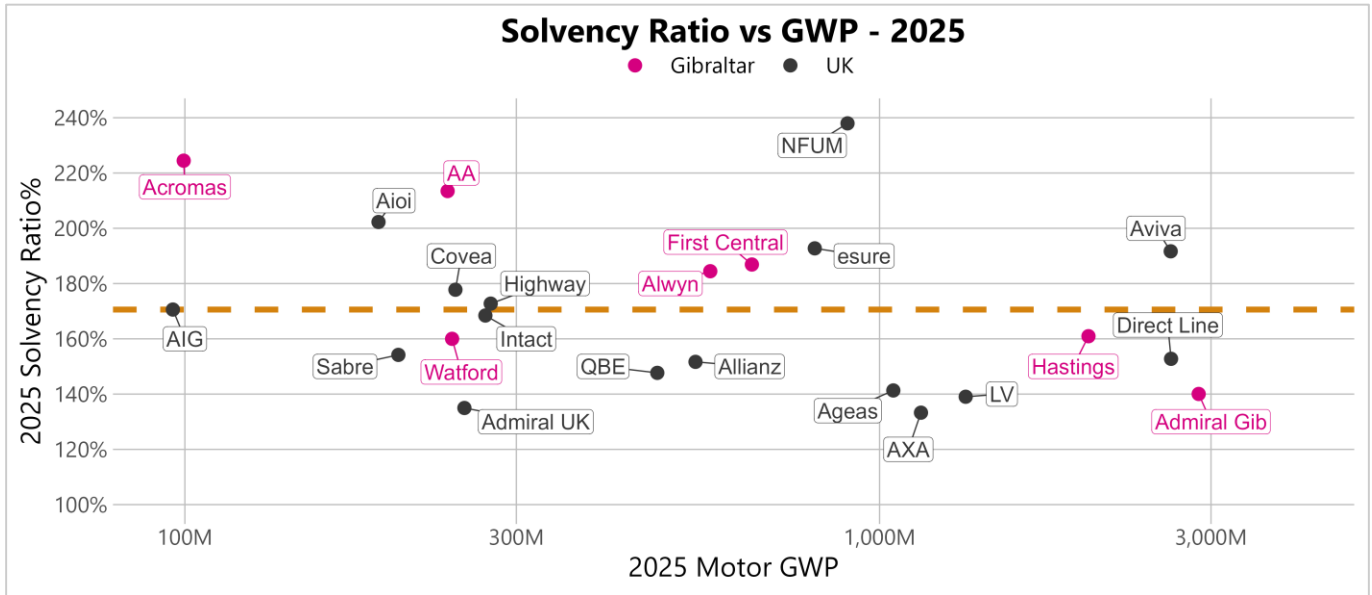
The following firms are not shown due to having data points outside the plotted range: AA, Intact, Watford

Chart 6 Change in COR plotted against 2025 GWP.



The following firms are not shown due to having data points outside the plotted range: AA, Arch UK, AXA XL, Watford.

Chart 7 – 2025 Solvency Ratio plotted against 2025 GWP. All insurers in this preliminary analysis disclosed financial resources well in excess of their regulatory requirements. The dashed horizontal lines show the median solvency ratios for these firms in 2025, increasing by 2% to 171% this year.



The following firms are not shown due to having data points outside the plotted range: Arch UK, AXA XL



Summary of data

Table 1 shows the data used in this report. Data in this table was collated by Marcuson Consulting staff using firms' published QRTs and SFCRs.

Firm	2024				2025			
	GWP £m ¹	Market Share	COR % ²	Solvency Ratio	GWP £m ¹	Market Share ³	COR % ²	Solvency Ratio
AA Underwriting Insurance Company Limited	252	1.1%	159%	174%	239	1.1%	46%	213%
Acromas Insurance Company Limited	134	0.6%	24%	207%	100	0.4%	26%	224%
Admiral Insurance (Gibraltar) Limited	3,043	12.9%	79%	136%	2,880	12.8%	71%	140%
Admiral Insurance Company Limited	273	1.2%	68%	136%	253	1.1%	74%	135%
Ageas Insurance Limited	1,239	5.3%	56%	183%	1,047	4.7%	58%	141%
AIG UK Limited	93	0.4%	120%	195%	96	0.4%	108%	171%
Aioi Nissay Dowa Insurance UK Limited	241	1.0%	113%	184%	190	0.8%	92%	202%
Allianz Insurance plc	550	2.3%	88%	165%	543	2.4%	85%	152%
Alwyn Insurance Company Limited	623	2.6%	82%	189%	571	2.5%	79%	184%
Arch Insurance (UK) Limited	63	0.3%	77%	166%	62	0.3%	91%	195%
Aviva Insurance Limited	2,738	11.6%	91%	190%	2,625	11.7%	86%	192%
AXA Insurance UK plc	1,124	4.8%	102%	139%	1,147	5.1%	97%	133%
AXA XL Insurance Company UK Limited	62	0.3%	109%	169%	61	0.3%	128%	183%
Covea Insurance PLC	239	1.0%	61%	153%	245	1.1%	87%	178%
esure Insurance Limited	861	3.7%	95%	174%	807	3.6%	95%	193%
First Central Underwriting Limited ³	786	3.3%	76%	163%	655	2.9%	76%	187%
Hastings Group Holdings Limited	1,724	7.3%	96%	152%	1,999	8.9%	91%	161%
Highway Insurance Company Limited	302	1.3%	87%	192%	276	1.2%	91%	173%
Intact Insurance UK Limited	170	0.7%	100%	178%	271	1.2%	93%	168%
Liverpool Victoria Insurance Company Limited	1,353	5.8%	96%	155%	1,330	5.9%	95%	139%
The National Farmers Union Mutual Insurance Society Limited	872	3.7%	87%	221%	899	4.0%	84%	238%
QBE UK Limited	539	2.3%	91%	137%	479	2.1%	92%	148%
Sabre Insurance Company Limited	236	1.0%	70%	163%	203	0.9%	68%	154%
UK Insurance Limited (Direct Line)	2,919	12.4%	88%	195%	2,628	11.7%	92%	153%
Watford Insurance Company Europe Limited	283	1.2%	53%	160%	242	1.1%	95%	160%
Total⁴	20,718	88%	87%	169%	19,845	88%	84%	171%

1 Direct motor GWP only.

2 Note that CORs presented in this table are based solely on QRT disclosures. As discussed in our previous reports, for some firms these results differ markedly from results disclosed by them in the narrative section of the SFCRs.

3 Market size is an estimated figure based on 2024 market share of the companies in the sample.

4 First Central's COR calculation includes additional income figures disclosed in their SFCR.

5 Total COR is weighted average using firms net earned premiums; Total Solvency Ratio is median solvency ratio.



Methodology

Premiums, claims and expenses were extracted from the Motor vehicle liability insurance and Other motor insurance (Personal and Non-Personal) lines of business as reported in form IR.05.04.02 for UK and Gibraltar domiciled insurance company QRTs.

We have not included Lloyd's Syndicates, firms writing only proportional reinsurance motor business or branches of overseas insurers with permission to write UK motor.

GWP includes direct premium income only. A non-material amount of non-UK motor is included for a small number of firms.

Data for 2024 and prior combined ratios in Chart 2 were taken from Solvency II Wire database, available on subscription (www.solvencyiiwire.com).

COR was calculated as (Net Incurred Claims + Allocated Expenses Incurred) divided by Net Earned Premium. COR includes both direct and inwards proportional reinsurance premium income. As a result, for certain firms, this may include a material share of reinsurance and/or non-UK business. As highlighted last year, for some firms, the COR resulting from this calculation differs (in certain cases materially) from the underwriting result disclosed in the narrative section of the SFCRs.

Allocated Expenses were taken from row R0985 in form IR.05.04.02.

The additional income figures disclosed by First Central and used in the calculation of their CORs were taken from row R0440 in form IR.05.04.02.

Solvency Ratio was calculated as Eligible Own Funds (financial resources calculated for regulatory purposes) divided by Solvency Capital Requirement (SCR).

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