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A Market Recovery For Car Insurance Companies?

New findings from UK supermarket giant Sainsbury's suggests that over the coming year we will see a large increase in the number of young drivers buying car insurance. The news comes after a number of years where car insurance demand has decreased among young people who have been putting off getting a car until the financial climate recovers.

An increase of around 50% has been predicted by the supermarket over the next 3-5 months and this trend is set to continue well into next year. Current trending stats and historical data has been used in the study, as well as car sales data. The soon to be increased VAT levels in the UK is one reason that has been put forward for the increase. Young drivers are very keen to sort out their policies before the VAT increase kicks in as it could see their premiums increase considerably.

Off the back of these new predictions, there is also speculation that a recover of the loans market could follow as more drivers take out loans to purchase new vehicles. This is not unbelievable as a similar situation has occurred in parts of South America and Mexico where rises in car insurance application, known as 'aplique seguro de automovil' have drive up the number of cash loan applications ([prestamos en efectivo](#)).

A sense of celebration has been felt my some in the financial markets and history teaches us that positive movements such as the one in the car insurance market are frequently followed by more mainstream financial improvements. We have heard this news before however after consumer spending showed an increase earlier this year and we were told that the end of the recession was in sight. However, after the increase failed to grow beyond very modest levels, most experts reevaluated their predictions and begun leaning towards a "double dip" recession model.

Whatever the future holds for the money markets, many still advise getting your application in now for [solicitar credito](#) as the Mexicans say, as VAT costs are due to go up any day now