

# The SECRET INSIDER'S NEWSLETTER

No.3



## HOW TO GET THE BEST DEAL ON YOUR CAR INSURANCE



by Ronnie Conway  
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### How to get the Best Deal

#### 1 SHOP AROUND

**This is the golden rule.** In every walk of life you see customer loyalty trashed by companies who view such loyalty as laziness and inertia, to be exploited to their own advantage (anyone else have a Sky TV subscription?). You may expect your brand adherence to get you the cheapest premium. It won't. Instead go onto a Price

Comparison Website (PCW) and put in your details. You might well find that your existing insurer is offering the same insurance to new customers at cheaper rates. If you are determined to stay with the same insurer, contact them directly, and ask if they will match the online quote. Frequently they will agree.



## 2 SHOP AROUND EARLY

On PCWs, insurance quotes can be obtained up to 30 days in advance of the arrangement of insurance. Precise ratios that individual insurers use to calculate the premiums payable are more closely guarded than the Enigma codes, and just as incomprehensible.

In November 2016 Facebook successfully prevented Admiral using access to Facebook entries to compute risk profiles based on user vocabulary. All insurers are risk-averse. They want to take your money and pay out nothing. All kinds of calculation and calibration come into play.

The first is postcode. Living in Scotland (where drivers generally have a low claims record), means that your premium is likely to be about half of the premium paid by a London resident for the same vehicle. You may not be able to do much about your postcode, but you can start to shop around early. Insurers prefer people who contact them sooner rather than later. They think that person to be a better bet than the individual who contacts them with 12 hours to go on their existing policy.

So, get in touch early. Comparethemarket did research in 2015 which showed that almost half of us renew our policy on the very last date or the day before, adding around £326.00 to each policy. They also found that the very cheapest day for renewal premiums is exactly 3 weeks before the due date but that only 1.5% of policies are renewed at that time.

## 3 PHONE

If you are going down the direct access route, use the phone. The Guardian (1st September 2016) carried an article about a customer who was quoted £100 less by Direct Line because he phoned up.

The reason? He was more sensible. Go figure but pick up the phone.

## 4 PUT ANOTHER NAMED DRIVER ONTO THE POLICY

If you put your spouse (not your 19 year old son) as a second named driver, there is every chance that the premium will come down. Check it out by using various permutations on the PCWs.

## 5 CONSIDER RAISING YOUR EXCESS AND CUT DOWN ON THE ADD ONS

The higher the excess you are prepared to take out, the lower your premium will be. If necessary, shop around for voluntary excess insurance. Cut back on the other add ons.

Do you really need an enhanced courtesy car? You are hoping to use a replacement car for only one or two weeks. You can slum it in a smaller car for that time.

Legal expenses insurance is of marginal utility, if any at all. Your no claims discount is only worth anything if you actually have a no claims history. Insuring your no claims discount might well be worth it if you have the maximum discount i.e. 50% -60%. Is it

worth it if you haven't built up anything or have made a claim in the last year or so? Find out from your existing provider whether you have a no claims discount and then decide from there.

## 6 DESCRIBE YOURSELF WITH CARE

You will find on the websites that you have to specify your employment to chime in exactly with a pre-populated list. Insurers have predefined job titles on their system and they think that some occupations are riskier than others.

If you are retired, or a housewife or house-husband, make that your description. Don't ever simply say you are unemployed.

## 7 DON'T MODIFY YOUR CAR

In the same Guardian article (1st September 2016) Ian Crowder, an insurance expert said simply:

*"Insurers don't like modified cars."*

More accurately they don't like persons who modify their cars because they believe such a person represents a bigger accident risk. Modification could range from supercharging your vehicle to fitting tinted windows and alloy wheels. Specialist paintwork might result in a 36% premium increase.

## 8 PARK YOUR CAR OFF-ROAD

If you are able to park your car in your own garage or your own driveway, make sure you tell your insurers. But take care to tell the truth.

According to Kwik-Fit Insurance Services, nearly one fifth of Britain's drivers tweak or massage their personal details to obtain cheaper cover. The information likely to be massaged relates primarily to annual mileage, followed as a second by overnight vehicle location.

Remember that an insurance policy is treated as a contract of "utmost good faith". Insurers are entitled to rely on the accuracy of your statements to assess your risk profile. If these statements turn out to be false, your insurers can invalidate the policy, leaving you with no cover whatsoever, when you make a claim.

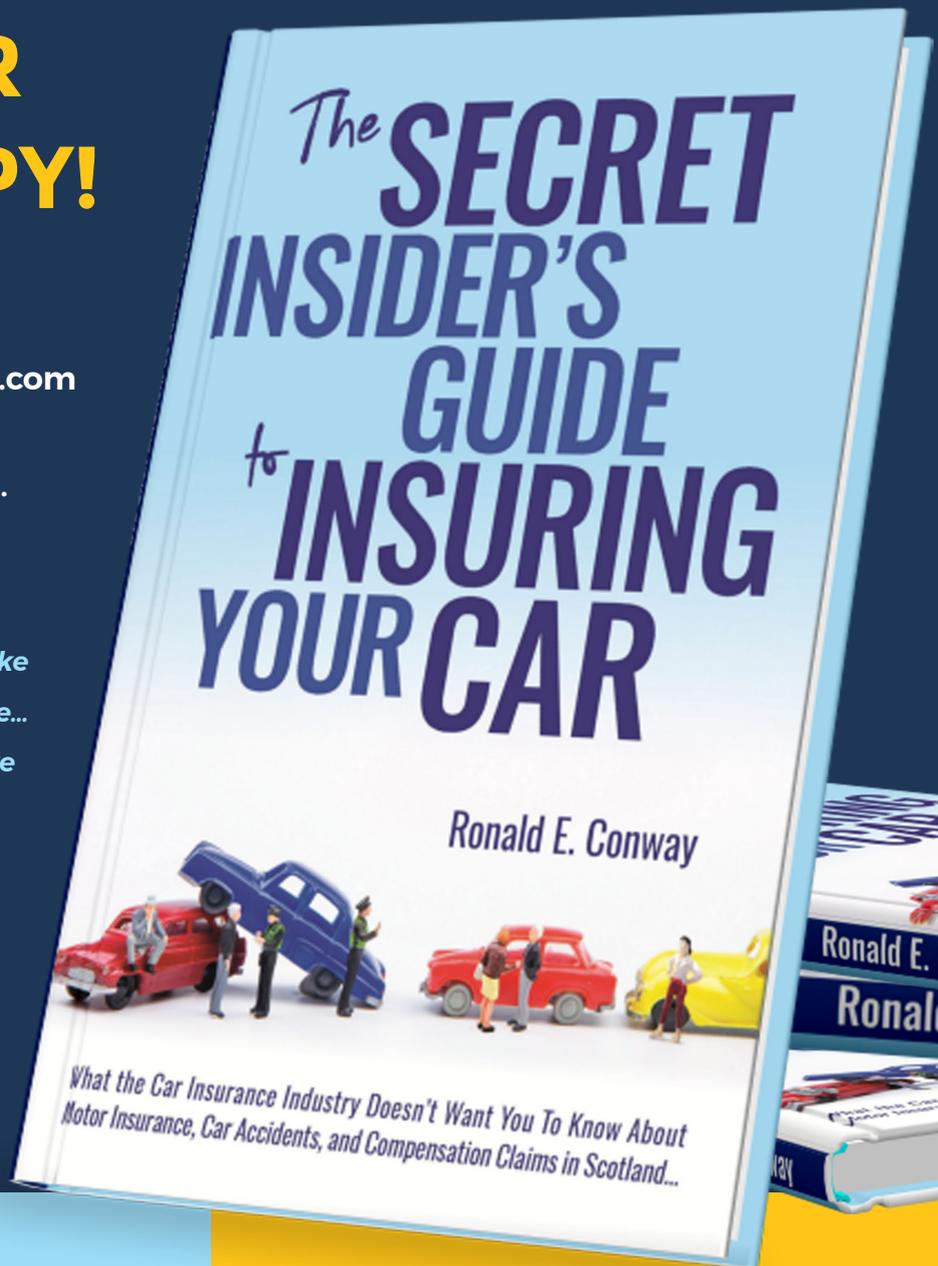
## QUESTIONS YOU SHOULD ASK WHEN TAKING OUT INSURANCE

- ✓ If I am in an accident in which I am found to be not at-fault, will this affect my annual motor insurance premium and/or my no claims bonus? If so how?
- ✓ Under what circumstances will I be required to pay an excess towards the cost of repair of my vehicle?
- ✓ If I am requested to pay an excess and am ultimately found to be not at-fault for the accident, will you refund the excess or recover the excess on my behalf from the other driver's insurance insurer?
- ✓ Can I choose who repairs my car? If so, will I incur additional costs over and above my motor insurance policy excess if I do so?
- ✓ If my vehicle requires replacement parts, will the repairer use replacement parts made by the manufacturer of the original part?
- ✓ Am I entitled to a replacement vehicle during the period in which my vehicle is undergoing repair? What type of vehicle am I entitled to?
- ✓ What are my rights in relation to recovery of losses other than those incurred in repair and replacement vehicle provision following an accident?

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sure you're able to navigate the  
murky waters of the claims  
process, protect yourself and  
your family, and make sure  
you don't get ripped off."*



## ABOUT THE AUTHOR

Ronnie Conway, Solicitor Advocate and Fellow of the Association of Personal Injury Lawyers (APIL), is the author of The Secret Insider's Guide to Insuring Your Car. He has specialised exclusively in accident and injury work for over 27 years.

## IF YOU'VE BEEN INJURED IN AN ACCIDENT

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