Van Drivers Recommended to Use Motor Loans on Insurance

Van owners advised to ensure that they have adequate insurance to protect their livelihood...

June 24, 2007 (FPRC) -- Van owners could be well advised to ensure that they are using money from their motor loan to take out adequate insurance for their vehicle, it has been suggested.

According to research by AA Insurance, about a quarter (24 per cent) of commercial van drivers surveyed claim that if their means of transportation was unavailable then they could lose up to an average of £362 every day.

As a result, consumers could well struggle to meet bill requirements, personal loan repayments and overdrafts.

Head of van insurance for AA Insurance Rhiannon Parker said: "Love them or hate them, vans are a big part of our culture and contribute enormously to the UK economy.

"Whether they're sparkies or plumbers, drivers face significant loss of earnings if their van's out of service, so it's essential to ensure they're properly covered when the worst happens."

Taking the time to make sure motor loan money is spent on a sufficient insurance policy was also advised as the average commercial van was reported to carry worth an average of £1,382 in goods.

Overall, van drivers were reported to contribute over £35 billion to the British economy every year and have an annual estimated turnover of some £215 billion.

Meanwhile, more than half (59 per cent) of van drivers believe that the vehicle is essential to the smooth running of their business, once again indicating the need to ensure motor loan cash is spent on sufficient insurance.

Earlier this week, Ian Crowder, public relations manager for the AA, claimed that despite a general increase in insurance costs, those who shop around for cover will be able to spend their car loan money effectively.

Pointing to figures from the financial services company indicating a six per cent rise in insurance premiums over the course of 2006, he suggested that those using their money wisely can still access a competitively-priced deal.

He said: "For all the upward pressure on insurance premiums, there's always going to be a new provider coming in, trying to get a market share and offering big discounts.

"So for the savvy insurance buyer, there is always a provider willing to offer low premiums to get your business."

Despite insurance premiums falling by a "fraction of a per cent" during the first quarter of 2007, the public relations manager suggested that costs are set to rise throughout the remainder of this year which consequently may catch drivers off guard - if they do not plan their finances sufficiently - resulting in a increased pressure to service car costs and pay off debts.

Mr Crowder also reported that the value of car insurance claims is set to "rise fairly steeply" due to increasing costs in repairing vehicles and growth in the number of people looking to make personal injury claims after being involved in an accident.

Meanwhile, those looking to purchase a car are being advised to opt for a competitively-priced personal loan to finance their buy instead of choosing a showroom deal.

Research conducted by Alliance & Leicester earlier this year indicated that drivers deciding to go for forecourt finance products are wasting an average of £3,000 - a figure which could well aid consumers in making repayments on other forms of debt such as credit cards, overdrafts and Secured Loans.

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