

Rise Noted In Car Insurance Costs

With the start of this month seeing the introduction of the '57' registration plate, those who have bought either a new or used car may find that increasing proportions of their finances are going towards insurance costs, new figures show.

September 12, 2007 (FPRC) -- In research revealed in Sainsbury's Bank car insurance index, the typical car insurance policy was reported to stand at 486 pounds 43p as of July 2007 - a rise of 2.9 per cent from figures recorded during December last year. Meanwhile, the most recent statistics are 4.2 per cent above those noted at July 2006. Over the course of this 12-month period, the average motor insurance premium has risen by almost 19 pounds 80p. As a result of surging insurance costs, drivers could well see pressure on their ability to finance the day-to-day expenses of having a car increasing. This in turn may affect their capability to make repayments on the finance option taken out to fund their purchase - for instance personal loans or garage showroom deal.

Commenting on the figures, Lucy Hunter, car insurance manager for Sainsbury's Bank, said: "Premiums have been rising steadily and it has been predicted that this year they could increase by as much as ten per cent. However, by shopping around, you can still reduce your premiums significantly. Unfortunately, many motorists are not prepared to do this. Our research shows that one in five motorists only obtained one quote the last time they bought car insurance and of those motorists who did not obtain more quotes, 19 per cent said it was because they could not be bothered or didn't have enough time."

Research from the company also showed that insurance costs may be impacting on men's ability to service other areas of their finances, such as personal loans and savings, the most, as they currently pay an average of 518 pounds 46p, in comparison to the 442 pounds 28p paid out by women. Over the course of the 12-month period leading up to July 2007, the typical insurance policy had risen 5.2 per cent for males, as females witnessed a 3.1 per cent increase.

Meanwhile, younger drivers are also revealed to see increased financial pressure as a result of rising insurance premiums. Those motorists under the age of 25 have seen the largest rise in cover costs over the last 12 months - up by some 11.2 per cent since July 2006 and 6.4 per cent from December. On the other hand, consumers aged 65 and above have seen the smallest rise in premiums across the country, with an increase of 0.79 per cent since the end of last year.

In research conducted by Halifax earlier this year, January and August were revealed to be the two most popular months in which Britons apply for loans to buy cars. The study also showed that the majority of those aiming on getting a loan to fund a vehicle purchase are aged between 30 and 49. Meanwhile, Neil Chandler, head of unsecured personal loans for the firm, claimed that as such a purchase is a "big financial commitment" consumers need to take the time to choose the financial deal which is right for them.

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