

## **Moneysupermarket Warns Of Cash Constraints Car Cover Can Cause**

*Despite the excitement that having a car may bring, consumers should be careful that the cost of covering a vehicle does not leave them with a burning hole in their pocket.*

June 15, 2008 (FPRC) -- Such is the assertion of moneysupermarket, who provided research results which shows that young people are likely to come under greater monetary pressure in order to insure a vehicle. In research by the price comparison website, it was shown that a typical motor policy is increasingly expensive depending on how young a driver is. According to the firm, males in their 20s pay an average 41 per cent more for their motor insurance, compared to those in their 30s. The former were revealed to pay a typical 370 pounds, 108 pounds higher than the 262 pounds drivers between the ages of 30 and 39 splash out. Furthermore, it was revealed that young men are likely to face much higher cover costs than their female peers. The average policy for an 18-year-old male stands at 1,815 pounds, in comparison to the 954 pounds splashed out by a woman of the same age.

Overall, it was indicated that females are typically privy to a cheaper car insurance deal than men until their 50s. Upon reaching their half century the average car insurance policy for women is 203 pounds, while men in the same age bracket pay 199 pounds.

For those consumers struggling with meeting motor insurance expenses it is also possible that they have difficulty managing other car-related costs such as petrol and repairs. In turn, this may mean they develop problems with other areas of financial demand such as loans, credit cards and household bills for instance.

Peter Gerrard, head of insurance research at moneysupermarket, said: "Young and newly qualified drivers have long been perceived as high risk by the insurance industry and often find it hard to get competitive motor insurance. But there are ways they can cut their insurance costs, such as adding a parent to their policy or looking at specialist insurers who target young drivers. It's also clear that insurers view women as far more mature motorists at an earlier age."

The price comparison site official added: "Older drivers generally find their cars cheaper to insure so this can make it tough for specialist insurers to offer better value for elderly drivers. Motorists who are prepared to shop around for the best deal each year will always come out on top, whatever their sex or age."

In a bid to reduce the pressures which their finances are under as a result of the cost of motor insurance, Mr Gerrard advised drivers to take steps to improve the security of their vehicle. He stated that fitting an immobiliser and alarm can be an effective means of making a car safer from the threat of thieves. In addition, it was pointed out that scouring the market for the most competitive deal possible could result in savings. Citing findings by the Association of British Insurers, moneysupermarket reported that savings of up to 35 per cent are available by comparing the policies offered by five different providers. Meanwhile, it was reported that those consumers who take out a policy online may find that they receive a discount.

Furthermore, having a car that has a smaller engine could also result in savings. The firm asserted

that such a vehicle - which is reliable and relatively new - is more likely to attract a lower premium as it is an automobile that "boy racers" will probably not drive.

For consumers who have either just passed their test or are looking to upgrade their vehicle, taking out a personal loan could be an advisable means of funding buying a car. In doing so, borrowers will be able to purchase the model for them - whether it is a Ferrari or a Fiat - leaving them with an affordable rate of repayments to make each month. The monetary assistance a loan brings could also help drivers to take out comprehensive and cost-effective car insurance. In addition, cheap loans may assist consumers with various other motor-related costs.

According to a recent report by Which?, the rising cost of fuel is set to place an increasingly heavy burden on drivers. As such the consumer publication stated that motorists should look to reduce as much pressure on their finances as possible. It was asserted that by keeping air conditioning on constantly motorists could add an additional ten per cent to their annual fuel bill, while under-inflated tyres may also result in "extra expense".

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