

15 Ways to Lower Your Car Insurance Quote

1. Shop around

The difference in price between various companies can be significant. What one company may consider a high risk factor another company may not view as so important. Insurance companies arrive at a price for your car insurance by adding or discounting money after each answer you give to the questions they ask you. Each company has its own rules as to what they consider should increase or decrease your premium. By shopping around you get a better list of prices to compare.

2. Buy a lower group car

One of the important factors that insurance companies take into account is of course your vehicle. There are thousands of different cars on the road so companies divide them up into groups. Most companies will adopt the ABI (Association of British Insurers) group rating. This splits up vehicles into 20 different groups. Generally speaking the higher the group rating for your vehicle, the higher your premium will be. Some companies may also combine your driving experience with the vehicle group to get a better idea of how high the risk is. This is one of the reasons why young drivers should consider buying a lower group car if they want to lower their insurance cost.

3. Consider Third Party Only cover

A Third Party Only insurance policy is the minimum amount of cover legally required - it is also the cheapest. Generally speaking you should consider opting for this type of policy if your vehicle is of low value. In the unfortunate event of having an accident, any damage to a third party vehicle will be covered but any damage to your vehicle is not. However, if your vehicle is of little value then you may not be too concerned. It may not be worth paying extra for a Fully Comprehensive policy in these circumstances.

4. Maintain a good credit rating

More and more insurance companies are adopting credit scoring techniques as part of the overall calculation of your car insurance premium. By keeping a good credit history you may avoid any additional premium that companies add to your price for having a bad credit score.

5. Buy on the web

Many insurance providers now offer some good discounts for buying the policy over the internet. The theory is that by purchasing your insurance over the web, you are saving the company money by not requiring telesales agent time and incurring free-phone costs. This saving is passed on to you in the form of a discount for buying online. If you have got prices by telephone then check your quote again on their website, you may be surprised at how much cheaper it is.

6. Have a higher voluntary excess

During the quotation process you will be asked how much voluntary excess you want to have. Insurance companies will generally include a compulsory excess amount on the policy but give you the opportunity to increase this if you wish. The more the voluntary excess the lower your premium should be. However, in the event of a claim, you will have to pay a higher amount yourself, up to the total amount of excess on your policy.

7. Reduce your annual mileage

How many miles you do a year is a common question that can affect your car insurance premium. The more miles you do the more your premium is likely to be. Quotation systems and telephone agents will often suggest an amount of miles for you. Try and work out how many miles you will genuinely do. It may be less than the amount suggested. Of course, you should always give an honest answer to this and other questions.

8. Keep a clean driving record

This may be easier said than done. However, by having few or preferably no driving convictions, you can avoid being penalised by increases in your car insurance premium. Getting caught with a speeding fine is often not the only financial penalty you incur. Insurance companies take very seriously all driving convictions and it is usually an important part of their rating process. You can expect an increase in the cost of your insurance if you do get caught with a driving conviction, so it pays to be a safe driver.

9. Keep claim free

This ties in neatly with number 8 above. The biggest factor affecting the cost of your car insurance premium is how many No Claims Bonus Years you have. Full No Claims Bonus is generally considered by most companies to be five years or more, this can give you huge discounts, in some cases up to 75%. By being a safe driver and avoiding potential claims, you can continually benefit by building up your number of claim free years. Every additional No Claims Bonus year you get, the lower your car insurance cost should be. Some companies give you the option of paying a bit more on your premium to protect your No Claims Bonus.

10. Be realistic about the value of your car

Most of us have an inflated view as to what our car is worth. When asked the value of your vehicle during the insurance quotation process, people will often state an amount that is unrealistic and above the real value of the car. People do this as they believe that this is what they will get back from the insurance company in the event of a claim. The reality is that the company will only pay out what the car is worth at the time of the claim and not what you stated for the quote. In fact, by giving a high and unrealistic value, you can increase your car insurance premium as this is often a factor affecting your final price.

11. Remove unnecessary named drivers

Additional drivers on your policy usually mean a higher premium. A lot of people add a number of extra drivers on the policy just in case that person needs to drive the car. However, having all these drivers will push up the cost. By only naming drivers on the policy that will definitely drive the car, you can lower the final cost. If you find that an unnamed driver needs to drive the vehicle then most companies will allow you to temporarily add a new named driver for a small cost.

12. Improve your car security

Theft of and from your vehicle are important considerations when insurance companies calculate your price. Most companies will give you a discount for having better security of your vehicle. An alarm and immobiliser will usually attract a small discount whilst having a tracker device installed may give you a larger reduction. Some companies may insist on having such devices installed on more expensive and desirable cars before they even consider offering you a price.

13. Take an advanced driving test

Although not compulsory, taking an advanced driving test can not only improve your driving skills but also help to lower your car insurance premium. Some companies look favourably on people who have taken the advanced test as it shows commitment to safe driving thus lowering the chance of having a motoring accident.

14. Pay your premium in one go

By paying for your car insurance all in one go, you can avoid paying additional interest charges that would be added on if you opted to pay by instalments. The interest charges can be quite significant, so if your finances allow, you can save a good amount of money by paying for the whole lot up front. In some cases, companies may even give you a small discount for doing this.

15. Get married

About the Author

[Ok](#) so this may seem like a dramatic final way to lower your premium. However, a number of insurance companies offer lower premiums when your named drivers are insured and spouse as opposed to two unmarried drivers. Some companies believe that this shows an element of stability which is a hallmark of safer drivers and give you a discount on this basis.