

Frustration over car insurance hike

LD writes from Dublin: I renewed my car insurance on December 10 with Chill.ie for €706, which was a big increase on the €535 I paid the previous year. This was the cheapest quote I could find, but it still seems too much. Could I do better? I would cancel with Chill.ie if I could find a cheaper provider.

I want comprehensive insurance for a 2008 Ford Focus 1.8 litre, worth about €5,000 and fitted with an immobiliser. I am female, aged 36, living in Dublin 24 and I work as an editor. I have a full no-claims bonus, a full driver's licence since 2007, no penalty points and no illnesses that would affect my driving. I drive less than 12,000km a year.

Based on the information provided, several insurance brokers quoted €550-€600 for your policy, so it looks as though you are paying over the odds.

CoverInAClick.ie had the cheapest quote, at €549. This would be even less if there were a named driver on the policy with a similar age, driving history and occupation to yourself. The quote includes step-back protection so that you would not lose all of your no-claims discount if you had to claim on the policy.

Blue Insurance quoted

€585, but this would increase to €619 if you wanted step-back protection, which would be advisable because your clean driving record means you benefit from a substantial no-claims discount.

Blue was the first provider of long-term cover in Ireland, offering some protection against rising premiums by fixing the price for up to two years. Its quote was €1,074 for two years, or €1,137 to include step-back protection. Its policies are underwritten by Zenith Insurance, based in Gibraltar.

O'Leary Insurance Group quoted €595 for a policy underwritten by Zurich that includes step-back protection and an excess of €250 on claims. AA Ireland quoted €600 for similar cover.

Conor Faughnan, of AA Ireland, said the premium hike you have experienced is not unusual. "Your reader is the insurance crisis in a nutshell – a good risk, a solid person, a clean history and a full no-claims bonus – who is faced with a 32% increase in premium," he said. "It's infuriating for her and Ireland's 2m other motorists. Not enough is being done to address it."

ConsumerHelp.ie, a website run by the Competition and Consumer Protection Commission, has useful tips

on ways to reduce premiums.

It may not be worth paying extra for comprehensive cover if you drive an old car, for example. Insurers will not pay out more than the car is worth if you have a claim, which could be far less than the cost of repairs after a crash.

Overestimating the value of your car could drive up the premium needlessly. Revenue keeps a useful online database for vehicle registration tax (VRT) purposes, with estimates of the value of most makes and models based on age, engine size and mileage. See the VRT calculator at revenue.ie.

The higher the excess you pay – the amount of each claim that must be paid from your own pocket – the lower the premium. Most policies have a standard excess of €200-€500 but higher limits may be available on request.

Never accept a renewal quotation at face value. Insurance providers typically try to win your business with a good quote, hoping you will renew automatically, even if the premium is no longer competitive.

Use your provider's website to check what it would quote if you were a new customer. Use this price as a bargaining chip to get a better renewal quotation. Otherwise, move to another provider.

