

No frills car insurance - is it worth it?

It's normal to want to pay less for car insurance premiums but be careful when it comes to cover. A lot of cheaper policies will drop certain benefits in order to cut the price of car insurance. It's best to be satisfied with the exact protections and benefits that your car insurance includes. In order to offer cheaper premiums, the two main features that insurance providers will drop from cover are courtesy cars and Legal Expenses Cover, which we shall look at first.

Courtesy cars

Car insurance policies often come with the option of having a courtesy car, in the event that your own has to be repaired at a garage approved by your insurance provider. However, not all policies come with this benefit. As it is costly for insurance providers to make such cars available, some cheaper policies tend to come without this benefit.

You may elect to forego the benefit of a courtesy car if you have ready access to another vehicle. So if there's more than one car in your household, or you can easily borrow one from a family member or friend, then you may feel that this feature is surplus to requirements.

If this isn't the case, however, think carefully about how well you'd fare if you found yourself without access to a vehicle for a couple of weeks. Would you be able to get to and from work easily? And how much would that cost? It's worth doing a few worst-case scenario sums before you decide whether such a benefit might be worthwhile.

If you were forced to hire a car following an accident, it might be possible to reclaim the cost assuming you have Legal Expenses Cover (see below). But this might also take a long time, so it's worth considering what impact having to pay for this initially might have on your cash-flow.

Legal Expenses Cover

Some insurers drop cover for legal expenses from their policies in order to reduce the premium. This type of cover would insure a driver for any legal costs arising from an incident, including legal advice and so on.

It is easy to think 'Well, how likely is it that an accident will lead to court proceedings?' However, Legal Expenses Cover extends further than you might expect. Most importantly, it can help you recover any compensation payable for personal injuries - or even death - arising from an accident.

If you are injured, a solicitor may be appointed to help you pursue compensation for personal injury. If you don't have Legal Expenses Cover, then you may well have to pay for this yourself. To protect against this, you may feel it's worth paying the extra on your premium.

Other features that might be dropped from a policy

Windscreen cover

This does exactly what it says on the tin. It will cover you in the event of any glass damage - be it the windscreen, rear screen or side windows. The excess is much lower than standard accidental damage excess (usually around £60), and in most cases a claim will not affect any of the No Claims Bonus you might have acquired.

European cover

Some insurance providers will automatically cover you for a period of time spent travelling abroad, usually between 30 and 90 days in total. However, some providers may charge you an additional fee. It's important to check your terms and conditions before you travel. Also check if you need a green card from your insurance provider, which is a certificate of cover that you may require.

Hire car

Even when you have courtesy car included in your policy, you often won't get one if your car has been written off or stolen. You only get one if your car is taken to an approved garage for the duration of the repairs. Having hire car cover bridges this gap. Basically, your insurance provider will cover the cost of a hire car up until the point when you're paid a settlement. The distinction between a courtesy car and a hire car may seem hair-splitting, but it's an important one.

Breakdown cover

On rare occasions you might have breakdown cover included in your policy. Some breakdown policies are far more comprehensive than others, and

it's important that you read the small print to find out what you're covered for. Read more about breakdown cover here.

Personal effects cover

This covers any personal items you might have in the car in the event of them being damaged in an accident, or stolen from your car. This usually covers items up to a value of between £50 and £200, depending on the policy.

Driving other cars (DOC)

A lot of people assume that they get this cover automatically when taking out comprehensive insurance. However, that's not necessarily the case - especially if you're under 25. It's always worth checking you have this cover before attempting to drive anyone else's vehicle, assuming you're not listed as a named driver.

The lesson in all this is check the benefits of a policy carefully before committing to buy. Don't assume that certain protections will be conferred in your regular policy without the legal cover add-on. And before you shop for insurance, think exactly what you would like to get out of it in the event of an incident - rather than just going for the cheapest policy out there.

About the Author

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