



FOR PROFESSIONALS  
SINCE 1941

## MOTOR INSURANCE TIPS FOR YOUNG DRIVERS

*7 October 2014:* At some stage in their lives, young professionals are faced with the responsibility of buying their first vehicle, which includes ensuring that adequate motor vehicle insurance is in place. However, these new motor vehicle owners are often unaware of what type of cover to get and where to find professional assistance in order to create a solid motor insurance policy.

This is according to Nazeer Hoosen, Executive Director: PPS Short-Term Insurance, the financial services provider focused on graduate professionals, who says that proper motor vehicle insurance can easily be forgotten about in the excitement of buying a new car. “As a result, many young drivers face an increased risk of insurance repudiations due to the lack of proper insurance cover.”

Hoosen provides the below tips for young drivers on how to obtain a proper insurance policy for their first vehicle to not only save on their insurance premiums, but to avoid facing financial losses as well.

### **Buy an inexpensive car to insure**

When buying a vehicle at a young age, the cost of insurance can often be a deciding factor in the choice of vehicle. Big, expensive and fast cars are typically more costly to insure and therefore younger drivers should rather opt to buy small, economical cars to save on insurance costs, says Hoosen.

### **Choose the correct insurance cover**

He advises that young drivers should not opt for the cheapest insurance just to save money in the short-term. “It is very important to have a comprehensive insurance policy in place to cover costs should an accident occur. Cheaper insurance policies could end up costing the policyholder more money in the long term as certain claims might be excluded from the cover. So it is important to get the right cover at the right price.”

Hoosen explains that if the driver cannot afford comprehensive insurance, it is important that they at least have third party insurance in place. “Third party insurance covers the cost of injuries which may be sustained by the other party during an accident, as well as repairs to any damage to the other vehicle, if it is determined that the policyholder caused the accident and is therefore liable to cover these costs.”

### **Understand your insurance policy**

Hoosen says that it is crucial that the policyholders fully understand all the details stated in an insurance policy. “The insured has to determine what cover will work best for their needs. Insurance terms and technical details can sometimes be very complex, so it would be beneficial to ask a professional to explain these terms to ensure that the policyholder fully understands the insurance policy and what their responsibilities are to avoid claim rejections.”

**Stay clear of car modifications**

Car modifications such as alloy wheels, expensive rims and body kits often appeal to younger drivers wanting to personalise their vehicles. However, these modifications could have a big impact on the cost of insurance and therefore increase the premium costs, says Hoosen.

**Consider doing a driving course**

He says that some insurers offer a reduced premium for policyholders who complete an advanced driving course, as the course assists motorists in being able to handle challenging driving situations better. "This means that, not only are they safer drivers, but they also have a lower risk of being involved in an accident."

**Increase security measures**

Lastly, Hoosen advises young drivers to add extra car security features such as an alarm, tracking system or parking the car in a garage behind locked premises overnight, to benefit from reductions in the insurance premiums from certain insurance providers who recognise these measures.

"By taking these precautionary measures, the vehicle is less likely to be damaged or stolen and therefore decreases insurer risk," concludes Hoosen.