

Reviewing car purchases for lower premiums

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When buying a car and considering the associated monthly costs, one way to reduce these is to choose a vehicle that will attract a lower premium from one's insurance company.



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A number of factors determine insurance premium:

1. **The value of the vehicle** - the biggest factor is the value of the vehicle you want to insure. Simply put, the more expensive the vehicle, the more expensive the insurance premiums will be. Remember, the objective of insurance cover is to repair or replace a lost or damaged vehicle. Therefore, the easier it is to replace or repair, the lower the premiums. Also consider that high-end vehicles are classified as higher risks because they are common targets for criminals.
2. **Vehicle parts** - one aspect that is often overlooked by vehicle owners is the availability and cost of vehicle parts. The more expensive the parts and components needed to repair the vehicle, the more expensive the insurance premium will be. A vehicle with more affordable and available parts will be less expensive to insure.
3. **Imported and exotic vehicles** - think carefully before buying imported or exotic vehicles. Spare parts for these types of vehicles normally have to be imported and are therefore likely to be more expensive. These also tend to be more costly to replace and as a result, more expensive to insure.
4. **High-performance vehicles** - statistically, owners of high horsepower vehicles are more likely to drive faster and at higher risk of accident. In general, sports cars and other high-performance vehicles are also classified as higher risks because they are common targets for thieves and vandals.
5. **Added extras and enhancements** - expensive add-ons will increase insurance costs too. Keep in mind that flashy sound systems or modifications are likely to make your vehicle more attractive to criminals, and this can lead to a

higher insurance premium.

6. **Colour** - the colour of your vehicle may have an effect on your insurance premium. Some research has concluded that at dawn or dusk, vehicles of darker colour are more likely to be involved in an accident than those lighter in colour. Darker colours can be more difficult to see in low light conditions. Insurers sometimes charge slightly higher premiums for darker colours like black and navy blue, than vehicles of lighter colours such as white.
7. **Safety features** - crime is always a threat to your vehicle and insurance companies look favourably on vehicle safety features. Theft prevention features such as an alarm or tracking device can reduce your premium.
8. **High risk** - car insurers analyse vehicle and crime statistics to find out which type of vehicles are more likely to be stolen or involved accidents. Vehicles that tend to be stolen or involved in accidents more than the average will cost more to insure.

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