

FACTORS AFFECTING CAR INSURANCE PREMIUM

1) Age Group This is car owner's age. Most company has similar age group factor

18 to 21 - very expensive
21 to 25 - expensive
26 to 30 - cheap
31 to 65 – cheaper

2) Driving Experience This refers to how long did you get your driving license and has nothing to actual driving experience. This is measured in number of years

less than 1 year experience - very expensive
less than 2 year experience - expensive
less than 4 year experience - cheap
more than 4 year experience – cheaper

3) Job occupation (Indoor/Outdoor) This refers to the nature of work, like desk bound or sales. Driver whose nature of work is under outdoor category is will have higher premium.

4) Past claim history The premium will be more expensive if there is a claim in the past 3 years. The higher the claim, the more expensive will be the premium.

5) NCB Discount No Claim Bonus discount, some may call it NCD (No claims Discount) You get 10% NCB every year if you do not have any accident. Maximum NCB that you can get is 50%.

For example, your car insurance cost \$2000 (before NCB) and you have 40% NCB, your premium would be \$1284 $\{[2000 - (2000 * 40)] * 1.07\}$ with GST. Hence the higher the NCB the lower your premium

6) Safe Driver Discount The driver is entitled to additional 5% discount if he did not have any traffic offense or demerit point for the past 2 years. You only get this additional 5% when you have minimum 30% NCB.

7) Engine Type This usually refers to normal or turbo car engine, It's important to know that most car insurance company impose higher car insurance premium on turbo cars.

8) Engine Capacity (cc) This refers to your car engine in cc. Generally the lower the cc the lower the premium

9) Marital Status Most insurers give cheaper premium to married driver than single driver

10) Year of Manufacture This generally means the year which your car is made/register. Generally, the older the car, the cheaper the premium

11) Body Type This general means the type of car like saloon, MPV, SUV. Some company will charge more for certain type of vehicle

12) Gender This is company dependent. Some company charge cheaper for male driver while some company charge female cheaper. Yet for some other company is the same rate. I think it's base on individual company statics.

11) Coverage Include COE The sum insured is include COE cost. Driver may have options to exclude COE coverage. The premium will be cheaper if the coverage is to exclude COE.

13) OPC Car OPC also know as Off peak car (red plate). Some company give 5% discount for OPC (eg. NTUC) while other company gives same treatment.

14) NCB Protector This is applicable to people with 40% or 50% NCB. In the event of 1st accident within the policy year, your NCB will remain as 50%. After which, the 2nd accident will cause your NCB to be reduce to 20% (50% - 30%) . If you super unlucky and have the 3rd accident in a year your NCB will be reduced to 0% (20% - 30%, you cant get -10% so it will be 0%)

It is important to note that NCB protector is only effective if you renew your car insurance with the same insurance company. If my car insurance is with company A and my NCB is 50%, after the 1st accident (and it's my fault) , I still get 50% NCD as I got the NCB protector upon the renewal. However, instead of renewing my insurance with company A, I go with company B. I will only be entitled to 20% NCB.

For example, your car insurance cost \$2000 (before NCB) and you have 30% NCB and safe driver discount, you premium would be \$1391 $\{[2000 - (2000 * 30)] * 0.95 * 1.07\}$ with GST.

Finding the cheapest car insurance

There is no generalization that which company gives the most competitive car insurance rate. This is because some company may specialist in Japanese cars, some company may have better rates for smaller cc class.

Moreover, the rates of car insurance changes every 6 to 12 months, so it may happened that this year company A is cheap but next year renewal, company B is cheaper. Hence, our advice is to let us quote several companies for you every year.