

Five ways to reduce your vehicle insurance premiums

Cape Town, 11 November 2020: 2020 is a tough year and many people are looking for ways to decrease their expenses. Good news is that, with many people now working from home and commuting less, you may be able to negotiate a better rate on car insurance. South Africa's leading general insurer, [Santam](#), says consumers should speak to their insurer if any of their circumstances have changed during the pandemic.

Having insurance on your car is vital - it protects you against the financial risk associated with hijacking, theft and accidents. In South Africa, if your vehicle is under finance, you are legally required to have comprehensive car insurance.

"Whether you've just purchased your vehicle or have had it for a while, it is extremely important to have the right insurance policy for your needs," says Marius Neethling, a personal lines underwriting manager at Santam. "It's also a good idea to speak with your broker about ways in which you can reduce your premiums and make insurance work for you."

Here, Neethling provides five tips on how to do just that.

1. **Insure all your assets with one company**

While there are many smaller insurance providers that only offer niche products, such as only vehicle or personal lines insurance, insuring with a larger company that can meet all your insurance needs is a good idea. For one, it helps simplify the insurance process but it's also a great way to get a discount. Speak to your advisor or broker about bundling your policies to get a good deal.

2. **Install a tracking device**

While not all financial institutions who finance cars require tracking devices to be installed, you may need to do so if you drive a high-theft-risk vehicle or the value of the vehicle is extremely high. Even if your car does not fall into these two categories, installing a tracker may get your premium reduced.

3. **Review your cover on a regular basis**

Most brokers will advise you to review your insurance annually or, at the very least, when you have a major life change. That said, reviewing your insurance each year offers you the opportunity to keep track of your policy and coverage. Since your vehicle is a depreciating asset (unless it's vintage or a collectable), the value of your car will be adjusted every year so it's important to check that you are still adequately insured. Which leads to the next point...

4. **Revise your excess**

Your insurance excess is the amount of money you are required to pay when you claim from your insurer. Most often, this includes a compulsory and voluntary amount. If you have extra cash at hand, you can increase your voluntary excess. By doing this, you are essentially shifting more risk from the insurer to yourself but will receive a lower monthly premium as your insurer will be saved from paying out minor claims.

5. **Cash in on 'good behaviour' discounts**

We can all do with some savings, even if it's on our insurance. Many insurance companies offer discounts or cash back when you've been insured for a long period of time and don't claim or take actions that are deemed as 'good behaviour'. Santam, for example, has introduced [SmartPark](#), which rewards you with up to 20% off your

premiums for driving less. This distance-based insurance benefit was developed in response to clients' changing environment and an increased demand for more innovative solutions to help manage personal finances during these uncertain times. It's a win-win if you're currently working from home during the pandemic.

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