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Car insurance quotes Australia by David Johnston

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Why are young drivers required to pay such a high premium on their automobile insurance policy? Young drivers lack experience. This is a known fact. However, why should it always result in a very high increase in the premium? Considering the various options available to reduce the disadvantage of lack of experience, why is it that insurance premium does not come down?

Well, the car insurance quote offered by the insurance company does not focus on the age factor alone. The insurance company adopts a macro view of the entire market when determining its premium. If 70 out of every 100 customers of an automobile insurance company are below the age group of 30, is it not obvious that the number of young individuals filing a claim on their automobile insurance policy will also be very high? Whether they are good drivers or not is irrelevant. They form the largest component of the automobile insurance market today and this increases the risk for the insurance company.

What does a youngster focus on when purchasing an automobile? Chances are high that he or she would focus on the appearance and aesthetic aspect. Youngsters love powerful automobiles that can travel at very high speeds. High speed implies that the vehicle will suffer more damage in the event of an accident. The combination of lack of experience, use of expensive accessories and the high speed of the vehicle increases the overall risk for the insurance company.

The percentage of individuals between the age group of 15 to 64 in June, 1990 was 66.9%. This figure has risen to 67.6% in June 2010. The increase in percentage may be very small but when you consider the overall population of Australia, you will admit that there is a significant increase in the total number of young drivers.

How will this information help you get the cheapest insurance deal? Well, keeping youngsters off your insurance policy is the best way of enjoying low prices. If you are thinking of getting a vehicle for your teenaged son or daughter, the best option is to choose a vehicle that will not require comprehensive insurance. Third party insurance will always be cheaper than comprehensive coverage. Even the most expensive third party coverage for your teenaged driver will be less expensive as compared to a comprehensive cover for the same vehicle and driver.

Instead of simply complaining against the insurance company for hiking the car insurance quote, you will do well to understand that this decision is based on statistical data and cannot be faulted. The best option is to bypass this issue and secure the best possible deal using a smart approach.

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