

How your car insurance company decides the rate.

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A number of factors determine the cost of your motor insurance quotation.

1. **Postcode:** you are deemed to be a higher risk if you live in a city or urban area - especially if you park your car in the street. Security measures such as locks, alarms and immobilisers help to reduce premiums.
2. **Occupation:** your job may well determine the cost of your motor insurance. For example, a teacher might pay less than a journalist of the same age. Attending special courses, such as those by the Institute of Advanced Motorists (IAM), will often lead to a discount.
3. **Age and experience:** newly qualified drivers - or drivers under 25 - are judged more likely to have accidents than older, more experienced drivers.
4. **The car's insurance category:** cars are placed in different insurance categories, with expensive performance cars being the most expensive to insure. For example, categories range from low groups such as for the Toyota Yaris to Group 20 for Ferrari.
5. **No claims history:** the less you claim, the less you pay. Five-year no-claims discounts are best. If you have an own-fault accident, you typically lose up to two years' bonus.
6. **Excess:** The more money you're willing to pay out as excess, the lower your premium. The average excess is £200, but can be higher.