

How to cut excess costs

If you are a regular user of car clubs, and occasional hirer of cars abroad, consider a new “excess” insurance policy from iCarhireinsurance.com.

It is similar to a previous Guardian Money best-buy (Insurance4carhire.com) but this is cheaper and, on paper, offers better cover.

Most clubs (and car renters) will offer fully comprehensive insurance with your membership package; however, this will often come with an excess - usually £500-£1,000.

While you can pay more to reduce this to zero, buying from a third party is much cheaper - particularly for multiple renters.

iCarhireinsurance.com will sell you an annual car rental excess policy (Europe only) for £39.99.

For an extra £19.99, buyers can add

cover for all car club rentals. Users of Streetcar have to pay £129 annually to bring their excess to nothing, and it doesn't cover car rentals abroad.

Insurance4carhire.com charges £49 a year for European cover. Unlike the new entrant, it doesn't cover car rentals close to home. Both companies will refund excesses paid for damage to tyres and windscreens.

Ernesto Suarez of iCarhireinsurance.com says: “Many people find car hire insurance confusing. They end up spending a fortune at car rental desks, or find themselves with a huge excess bill at the end of their holiday after a small chip to their windscreen. In fact, with many policies not covering the most vulnerable parts of the car, you could easily get hit with both.”

Miles Brignall

