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Majority of drivers unaware of UK alternatives to expensive foreign car hire excess insurance

Seven in 10 drivers who have hired cars abroad describe the 'excess' insurance that rental companies offer to cover the agreed amount which has to be paid in the event of a claim as 'expensive'.

An RAC Insurance survey of 1,986 drivers* who had hired a car abroad revealed that 30% believed these policies to be 'very expensive' while 40% said they were 'expensive'.

Excess insurance is sold by hire car companies to cover the amount customers are obliged to pre-authorise on a credit card for the hire period – usually over £500, but sometimes as high as £2,000 – which is either taken if the vehicle is damaged or not if it is returned undamaged.

Half (47%) of those surveyed for the launch of the [RAC's new Car Hire Excess Insurance](#) say they bite the bullet and take out the hire car company's additional car hire excess insurance policy to cover the 'excess' they would have to pay if the vehicle were to be damaged.

One in five (17%), however, admit to risking it and not taking out one of the hire car company's policies while a well-informed quarter (24%) say they purchase a specialist car hire excess insurance policy sold in the UK to give themselves peace of mind they will not lose hundreds or thousands of pounds should their hire vehicle suffer some form of damage.

Of those who opt not to take out any form of excess insurance 23% claim to be worried about the consequences of having to pay the large amount of

money pre-authorized on their credit card whereas 14% state they are 'relaxed' about it. Fifty-seven per cent, however, say they are not particularly bothered by it – perhaps not fully realising they stand to be considerably out of pocket in the event their hire vehicle is damaged in some way.

Interestingly, only 29% of those questioned were aware they could take out a specialist, far better value car hire excess insurance policy in the UK to avoid having to pay for an expensive, but similar, hire car company policy abroad.

RAC head of insurance Marcus Latchford said: "Hiring a car abroad comes with many challenges. Finding the right car at the best price is clearly the first and foremost issue, but then there's the far less visible insurance costs to contend with when you arrive.

"While rental agreements in Europe generally include collision damage waiver, theft and third-party liability insurance, customers also have to decide whether or not to protect themselves against the large damage excess amount that is temporarily held on their credit card while the car is on hire.

"Taking out the rental company's excess insurance policy is usually very costly which leads to many travellers just taking the chance that nothing bad will happen to their hire vehicle and the excess will not be charged to their card.

"By far the best course of action is to take out specialist insurance to cover the excess amount and any additional damage repair costs incurred via a specialist policy bought in the UK. The trouble is not enough people realise this is an option so they end up losing out financially by buying expensive hire car excess insurance policies, often with a lower level of cover. We need to make people aware that very affordable UK alternatives exist so it becomes second nature to take out a policy before travelling.

"While there are several products to choose from we thought many people looking to hire cars abroad, or at home, would take a lot of peace of mind from a specialist car hire excess product with RAC Insurance's name on it.

"As the RAC aims to provide drivers with everything they need for their motoring lives, at home and abroad, having a straightforward insurance policy that removes some of the stress from hiring a car was a great addition

to our broad range of insurance and motoring services products.”

[RAC Car Hire Excess Insurance](#) can be purchased from just £2.99 a day or £42.99 for an annual policy, and is available for: UK and Europe; USA and Canada, and worldwide. This is in stark contrast to the average £9 daily rate that rental companies charge.

- RAC Car Hire Excess Insurance features include:
- Excess protection up to £6,000 sum insured
- Protection against fire, theft and vandalism
- Cover for bodywork, tyres, roof, windscreen and undercarriage – something often not covered by car rental companies’ excess insurance policies
- Cover for towing, breakdown and misfuelling excess costs
- Daily single trip and annual multi-trip formats
- Up to 65 days’ continuous cover on any one rental agreement
- The option to book daily single trip and annual policies up to 180 days in advance
- Cover for up to nine additional drivers as standard when named on rental agreement

Ends

* Research carried out from 28 March to 7 April 2019 with 1,986 members of the RAC Opinion Panel who had hired a car abroad

About the RAC

First formed in 1897, the RAC has been looking after the needs of its members for more than 120 years.

Today it has approximately 10m members and is one of the UK's most progressive motoring organisations, providing services for both private and business motorists. Whether it's [roadside assistance](#), [insurance](#), [buying a used car](#), [vehicle inspections and checks](#), [legal services](#) or up-to-the-minute [traffic and travel information](#) – the RAC offers a solution for all motoring needs. The RAC is committed to making motoring easier, safer, more affordable and more enjoyable for drivers and road users.

The RAC supports the interests of its members and UK drivers at a national level. This includes voicing concerns about the increasing cost of motoring, particularly the price of fuel and the high level of tax levied on it, advancing levels of road safety, and supporting the needs of all drivers, from young to old.

The RAC's annual [Report on Motoring](#) – first published in 1989 – is one of a kind and provides a clear insight into the concerns and issues facing today's motorists.

For the very latest news on UK fuel prices, check [RAC Fuel Watch](#). It provides a comprehensive guide to the latest UK unleaded petrol and diesel prices – both at the wholesale level and at the pump - and tracks these prices daily to help drivers check if the price they pay to fill up is a fair one.

Contacts



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