

Why Do We Need Car Insurance?

Having car insurance is an absolute must for all motorists on UK roads. But why is this the case? Well, the short answer is that it is a legal requirement to have at least third party cover. Then why is it a legal requirement? That's where the long answer comes in.

First and foremost, UK road users need to have a basic level of insurance to indemnify third parties. This has been law since 1930, and was updated in the Road Traffic Act 1988. The law provides that you must have some kind of insurance or protection against their liability to third parties (which could mean other road users or pedestrians) in the event that personal injury is inflicted upon them, or that their property is damaged, as a result of your use of the road. In simple terms, other people deserve to be protected against any fallout that may result from your use of a vehicle. Being insured will protect unwitting parties therefore against costs incurred due to injury, damage to their vehicle, and legal costs.

Consider the position where you accidentally drive into another car, but have no insurance. You may not be able to afford to cover damage to the other driver's car, or medical bills incurred due to injury inflicted. Any resultant legal costs may also be substantial. But surely it's not fair that the driver who isn't at fault foots the bill?

One may be given to think 'Well, I'm a good driver with a perfect track record - I'm not going to cause an accident'. This may very well be the case - however, the only way to guarantee such a clean-sheet is to never get behind the wheel. There are countless ways in which an accident may be caused where you may not consider yourself to be at fault in normal terms, yet would be at fault in legal terms, as the cause of the incident is not an insured party. Examples of this could include collision resulting from skidding on black ice, or swerving to avoid an animal that has strayed into the road.

So it becomes apparent that car insurance is not a matter of preference, but of legal necessity - and in most cases economic necessity too.

Ok, so why might one need a level of cover over and above the minimum legal requirement? Well, a greater number of drivers will have [third party, fire & theft](#) (TPFT) than third party only, as this will indemnify the vehicle user in the event that their pride and joy is stolen or burnt to a crisp. The desire to protect oneself against such eventualities is fairly commonsensical. Although there have been advances in anti-theft technology such as immobilisers and alarms, one can never fully alleviate the risk of a car being stolen or damaged in an attempted theft.

Furthermore, upgrading to comprehensive cover will protect you against most eventualities that this capricious world may choose to throw at you. The key difference between this cover and less expansive levels of car insurance is that you will be indemnified for damage to your own vehicle, even if the incident is deemed to be your fault. Although you do not 'need' this level of cover in the sense of a legal requirement, it is usually prudent if - for example - you could not afford to replace your car in the event that it was written off.

About the Author

Confused.com provide [car insurance](#) comparison services in the UK, as well as car finance and other insurance options. Visit their website at <http://www.confused.com>

Sarah Maple, looking at car insurance.

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