

## Ten Things That Cancel Car Insurance



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The need for motor vehicle insurance is universal, even though terms may differ across international borders. For example, what is known as a deductible in the United States is called an excess in Australia, for example.

What may be unique, though, is how insurers think, for they need to decide on policy exclusions based on the common behaviors of the customers they serve. Apart from disregarding routine maintenance, inadvertently or not, below are the nine mistakes that may void your motor vehicle insurance.

### **1. Failing to Renew Your Driver's License**

Insurance companies do not cover unlicensed motorists. Even if you had a valid license when you signed off your policy, your claim would likely be denied if you are in the driver's seat without a license at the time of an accident. The same logic applies when you drive an unregistered vehicle.

### **2. Reckless Driving or Racing**

Paying for insurance does not buy you the privilege to do reckless acts in your car. You still can't drink and drive, join a street race, or participate in a vehicle endurance test.

### **3. Doing Unapproved Modifications**

Being insured does not restrict you from altering your car for aesthetic or performance reasons. However, you are not free to do any modification without the knowledge of your insurer. You have to get your insurance company's consent first to make sure none of the changes you make will affect your future claim's chances of approval.

### **4. Driving for a Ride-sharing Service**

If you told your insurer that you would drive your car for personal use, then you may not be covered if and when you utilize it for business purposes instead. Moonlighting as an Uber driver or any profession involving your vehicle may cost you your insurance.

### **5. Forgetting to Lock Your Car**

Leaving your keys in the ignition may be considered negligence even if you park the vehicle in your garage. To avoid any culpability in the event of a theft, make sure your car is always locked when you are not around.



## **6. Allowing Others to Drive Your Car**

Handing over your keys to a friend who is not listed as a nominated driver under your policy can cost you a fortune. Never let a restricted person take the wheel, so you will not foot the bill yourself if your mate gets into a crash.

## **7. Carrying Too Many Passengers**

There is not an acceptable time to hit the road while your car is overloaded. Carrying more passengers than what your vehicle is designed for or what the law allows makes commutes unnecessarily more dangerous in the eyes of an insurer, or the police for that matter. Even though carrying people in the bed of a pickup truck is legal in many states, having an accident with passengers in the bed of a truck is exceedingly dangerous and may void your insurance.

## **8. Getting Your Car Repossessed**

If your vehicle gets legally confiscated and be damaged in the process, your insurer will probably refuse to pay to repair any damage to it.

## **9. Missing a Premium Payment**

Your insurance company will cancel your policy for non-payment when you fail to pay your premium on time and in full. Once your policy lapses, you will be on your own financially.

Understanding what is excluded from your motor vehicle insurance cover is just as important as taking out insurance itself. Use exclusions to compare products as well as insurers to make the right choice and get the most value for your money.

## **10. Not Following the Terms and Conditions of your Policy**

The insurance policy is a contract between you and the carrier. This contract contains specific conditions usually found in part 5. These conditions if violated would lead to the cancellation of the policy.