



## Breakdown cover

The recession means that many consumers are deciding to keep their old cars on the road rather than buy a new one. So what are the options if you're nervous of a having a breakdown?

### AT A GLANCE

Breakdown of providers.

What's not covered?

Reliability survey.

As the recession bites, the sale of cars has fallen dramatically. Industry figures show that new car registration figures slumped in 2009. Dealers sold 57,460 vehicles in 2009 - down more than 60% on 2008 figures. The second-hand car market is also suffering, with reports of average price cuts of 25% to attract buyers. These figures shouldn't come as any great surprise given the severity of the downturn, as buying a new car is exactly the kind of purchase consumers can defer until they feel more secure about the future.

Generally speaking, the older a car is and the more miles it has on the clock,

the more likely it is to break down. So with more and more consumers opting to keep their old cars on the road, the more importance they may attach to the risk of suffering a breakdown. For some, this just means taking extra care in keeping the car's service history up to date. However, for others, particularly those who drive a lot, having a good breakdown cover policy is a must.

There are no official statistics on motor vehicle breakdowns in Ireland. However, according to AA (the largest provider of breakdown assistance cover), the single busiest day of the year is 2nd January. On this day in 2008 there were

868 call outs. Christmas Day is the quietest day of the year, although the AA still expects to attend to as many as 100 breakdown calls from stranded motorists.

### Breakdown of providers

The AA is the largest provider of breakdown assistance cover in Ireland, having attended to over 155,000 rescue callouts in 2008. The AA's main competitor is Hibernian Aviva Breakdown Rescue (formerly operating as RAC in Ireland). Also offering breakdown policies is insurance brokerage First Ireland, as well as new

entrant to the market, Blue Insurance. AXA Ireland also provides breakdown assistance services, but membership is restricted to insurance customers only.

### First Ireland

Of the providers we looked at, First Ireland offers a basic breakdown assistance service with its Motor Rescue Policy. This product is pitched at a single price point of €39 per year and includes up to one hour of free labour at the roadside. If your vehicle cannot be repaired on the spot, the car will be towed to the nearest competent garage. If your car can't be repaired within a reasonable period of time, policy holders can choose from either a replacement vehicle for up to 48 hours or overnight accommodation in a local hotel while repairs are completed. However, the incident must have occurred more than 30 miles from your home. This cover extends to the UK as well as Ireland.

### Hibernian Aviva

Hibernian Aviva has three different breakdown products to choose from. Its most basic product is its Breakdown Rescue package. This provides roadside cover anywhere in Ireland and in the UK. Breakdown Rescue Plus is the next level of cover, and includes roadside cover plus onward travel cover and driveway cover. This package includes the arrangement of alternative transportation and cover for hotel costs if it is not possible to repair your vehicle. The third product offered by Hibernian Aviva is European Breakdown Rescue Plus. This provides assistance should you break down on any public road in Europe, to the same level of cover as the regular Breakdown Rescue.

### Blue Insurance

Blue Insurance has four separate product tiers for consumers to choose from. Its most basic package is branded under a 2 Star Policy level of cover and offers breakdown assistance and roadside recover. Breakdowns which have occurred within a one mile radius of your home are not covered. The 3 Star Policy offers nationwide breakdown and roadside assistance, along with bed and breakfast accommodation and the hire of another vehicle for a period of 24hrs. Again, breakdowns within a one mile radius of your home are not covered. The 4 Star Policy offers the same benefits

## WHICH CARS ARE THE MOST RELIABLE?

Ask a mechanic which car is the most reliable and there's a good chance that the answer will be: 'a Japanese one'. And judging by a survey of over 77,000 UK car drivers it does seem that the Japanese reputation for car reliability is well deserved. The survey was carried out by our consumer colleagues at *Which?*, who found that the new Honda Accord is the UK's most reliable car scoring a massive 99% for reliability. The Honda Jazz came second with a score of 98% while the Daihatsu Sirion came third. Seven of the top ten cars were Japanese. Despite German cars' reputation for solidity, the Audi A5 was the least dependable car surveyed scoring only 76%. Second from the bottom was the Ford Galaxy which also scored 76% while the Jaguar XF was third last with a score of 78%.

as the 3 Star Policy, except that if your vehicle is immobilised by a breakdown at or within one mile of your home then a rescue operator is still provided. These policies cover travel within Ireland only.

The 5 Star Policy from Blue Insurance entails all the elements of the other policies as well as European assistance to cover breakdowns whilst driving on the Continent – provided the vehicle is less than eleven years old. Car hire to the value of €105 per day (subject to a maximum of €1,125) and B&B expenses of €45 per person per day (subject to a maximum of €750) is also included.

### AA Ireland

The AA Ireland has three basic products available, as well as a 5 Star European Cover product. There is also an additional Breakdown Repair Policy which provides assistance for the actual cost of repairing a car following a breakdown.

Roadside Rescue is its most basic package and offers rescue assistance in the UK and Ireland. The breakdown must occur at least 500 metres from your home and cover for any additional transport costs is not provided. The next product up is Home Start, which is available as an optional extra to Roadside Rescue. This option allows the policy holder to avail of assistance at or very near your home address. Thirdly, the AA Rescue Plus Plan covers the cost of a replacement car for up to 48hrs or overnight accommodation or a refund on alternative public transport expenses up to €200. Available to purchase with all these plans is Breakdown Repair Cover which allows the policy holder to claim against the cost of repairs following a breakdown (see *AA Breakdown Repair Cover*).

The Five Star Policy includes European breakdown cover, and provides 24hr English speaking assistance throughout

Europe as well as provision for emergency car hire, accommodation or alternative travel. Important to note about the AA's three basic products is that it is policy holders themselves that are covered. This means that, as long as you are a member of the AA you are covered in the event of a breakdown, regardless of whose vehicle you are driving. You are also covered if you are a passenger in a broken down vehicle, provided that vehicle is under 3.5 tonnes and under 18 feet long.

### What's not covered?

Apart from the excluded features of the individual policies (see tables, p66), consumers should be mindful of other general exclusions to breakdown assistance policies. The costs of any parts used for repairs to your vehicle at the roadside or the garage are not covered following a breakdown. This includes labour costs of more than one hour. Also excluded is the repair cost if your vehicle was involved in a road traffic accident or the cost of any repairs to your vehicle which are not essential to the continuation of your journey on the same day.

AA does offer its members the option of taking out additional insurance to meet the cost of repairs following a breakdown. AA Breakdown Repair Cover

### AA BREAKDOWN REPAIR COVER

Car part	average repair cost <sup>1</sup>	amount payable (€) <sup>2</sup>
Battery	145	20
Alternator	518	20
Starter motor	438	50
Water pump	446	50
Clutch save cylinder	926	50

NOTES: Information correct as at 11 February 2010. <sup>1</sup>These costs are based on a typical 1.6 litre family car and include VAT at 13.5% (except for battery which holds a VAT rate of 21.5%). Costs are based on main dealership prices sourced September 2009. <sup>2</sup>This is the excess you must pay for each claim in addition to the cost of AA Breakdown Repair Cover.

### Useful contacts

**AA Ireland**  
56 Drury Street  
Dublin 2  
tel (01) 617 9999  
email aa@aireland.ie  
www.aaireland.ie

**First Ireland**  
First Ireland House  
15 Parkgate Street  
Dublin 8  
tel (01) 882 0818  
www.firstireland.ie

**Hibernian Aviva**  
1890 33 55 77  
email direct@hibernianaviva.ie  
www.hibernian.ie

**Blue Insurances**  
tel 0818 44 44 49  
email info@blueinsurance.ie  
www.blueinsurance.ie

## BREAKDOWN COVER: QUOTE BASED PRODUCTS

COMPANY	PRODUCT	ANNUAL PREMIUM (€)			POLICY FEATURES							
		Profile 1	Profile 2	Profile 3	Roadside assistance	Roadside rescue <sup>1</sup>	Home repair	Vehicle recovery to local garage	anywhere <sup>5</sup>	Hotel <sup>2</sup>	Courtesy car	European cover
Hibernian Aviva	Breakdown Rescue	219	107	52	✓	✓	✓	✓	✗	✗	✗	✗
Hibernian Aviva	Breakdown Rescue Plus	306	150	61	✓	✓	✓	✓	✓	✓	✓	✗
Hibernian Aviva	European Breakdown Rescue Plus	309	214	88	✓	✓	✓	✓	✓	✓	✓	✓

NOTES: Information correct as at 11 February 2010. <sup>1</sup> To any destination in Ireland if vehicle cannot be repaired locally the same day. <sup>2</sup> While car is being repaired.

### PROFILE DETAILS

	Sex	Age (yrs)	Residence	Vehicle <sup>1</sup>		Annual mileage	Insurance
				Make	Year		
Profile 1	male	35	Wexford	VW	2002	20,000	Comprehensive
Profile 2	female	55	Cork city and suburbs	Renault	2005	12,000	Comprehensive
Profile 3	male	68	Dublin	Toyota	2007	8,000	Third party

NOTES: 1. Petrol engine with manual transmission.

is an optional extra for one nominated vehicle under ten years old and with 100,000 miles or less on the clock. It runs concurrently with your AA Membership Cover and needs to be renewed when the annual membership premium is due. To add it to your policy costs an extra €99 per year and provides you with cover (less a small excess) if your breakdown occurs in your nominated vehicle and you need one of the insured parts in a subsequent repair. The table on p65 sets out the insured parts along with the excess payable and typical costs of the repair.

### Alternatives to breakdown cover

Before spending money on a breakdown cover policy, consumers should consider all their options, as it could be that they already have cover or can avail of it more cheaply. Below are some things to check before taking out a new policy:

- **Check your motor insurance policy**  
Competition in the car insurance market means that many insurers offer breakdown assistance with their policies. In some cases the insurance company may insist on the policy being comprehensive cover, but an increasing amount of insurers, including Quinn Direct, Tesco and FBD, now have breakdown assistance as standard across all motor insurance policies. However, it's important to check the terms and conditions as the actual breakdown services provided may be limited. That said, if basic cover is what you are looking for then there may be no need to upgrade.
- **New car?** If you've just bought a new car, then it's likely that outside the car warranty you are also covered for any breakdowns. For example, Renault covers the first two years of ownership of any of its cars with a breakdown service provided in conjunction with

the AA. Toyota gives you breakdown assistance for three years from the date of your purchase and provides cover at your home or anywhere else in Ireland or Europe. Even some used car dealers throw in breakdown cover when you make a purchase. For example, when you buy a car from a Nissan dealer which bears the 'Nissan Gold Standard', you receive one year's Hibernian Aviva Rescue membership.

- **Travel insurance** If driving on a holiday abroad you may have some level of breakdown cover with your travel insurance or it may be available to buy with the policy as an optional extra. For example, when buying VHI travel insurance it is possible to have motor breakdown cover included to cover vehicle recovery, replacement, roadside assistance etc. And if you are hiring a car abroad, remember that your car hire company should also have breakdown cover.

Report by

Mark Channing 

## BREAKDOWN COVER: SINGLE PRICED PRODUCTS

COMPANY	PRODUCT	ANNUAL PREMIUM (€)			POLICY FEATURES							
		Individual	Joint	Family or 4 adults	Roadside assistance	Roadside rescue <sup>1</sup>	Home repair	Vehicle recovery to local garage	anywhere <sup>5</sup>	Hotel <sup>2</sup>	Courtesy car	European cover
AA	Roadside Rescue	146	196	296	✓	✓	✗	✓	✗	✗	✗	✗
AA	Home Start	194	244	344	✓	✓	✓	✓	✗	✗	✗	✗
AA	Rescue Plus	216	266	366	✓	✓	✓	✓	✓	✓	✓	✗
AA	Five Star European Cover <sup>8</sup>	119	n/a	119	✓	✓	n/a	✓	✓	✓	✓	✓
First Ireland	Motor Rescue	39 <sup>4</sup>	78	156	✓	✓	✓	✓	✗	✓	✓	✗
Blue Insurance <sup>3</sup>	2 Star Roadside <sup>7</sup>	49	98	196	✓	✓	✗	✓	✗	✗	✗	✗
Blue Insurance <sup>3</sup>	3 Star Nationwide <sup>7</sup>	59	118	245	✓	✓	✗	✓	✓	✓ <sup>6</sup>	✓	✓
Blue Insurance <sup>3</sup>	4 Star Homestart	69	138	276	✓	✓	✓	✓	✗	✓	✓	✗
Blue Insurance <sup>3</sup>	5 Star European <sup>7</sup>	85	170	340	✓	✓	✓	✓	✓	✓	✓	✓

NOTES: AA membership costs €10 less per year if you pay by annual direct debit. Information correct as at 11 February 2010. <sup>1</sup> Transport to nearest garage or auto repair. <sup>2</sup> While car is being repaired. <sup>3</sup> Also trades under the names breakdowncover.ie and gocover.ie. <sup>4</sup> €19 if you are a First Ireland motor insurance customer. <sup>5</sup> To any destination in Ireland if vehicle cannot be repaired locally the same day. <sup>6</sup> B&B. <sup>7</sup> Breakdowns within a one mile radius of your home are not covered. <sup>8</sup> Based on 9 to 17 days driving with four people in Europe.