



## Expat Counsel

# ON THE ROAD PART 2: Cars, insurance and registration

### WHAT DO YOU NEED TO KNOW IF YOU DECIDE TO BUY A CAR IN THAILAND?

First, after you've selected the car you want, you have to get an idea of the price. Many buyers don't negotiate over price with a new car dealer because they want financing at the lowest rate available, at present between zero and three per cent. Repayment periods range from one to five years, at the preference of the buyer.

If you take the financing, usually there is a prepayment penalty, so you should not be planning to prepay. Likewise, a few companies require a foreign buyer to have a Thai guarantor if financing is to be provided. If you don't take the financing and want to negotiate over price, try starting with dealers in Bangkok.

They are the most competitive and offer the most generous packages, but the packages offered by Bangkok dealers, including free options such as undercoating,

window film and the like, are also standard for the rest of the country.

So, if you're buying in the provinces, you should be armed with prices and information from dealers in Bangkok. Dealers elsewhere will usually match these.

Thailand has compulsory car insurance at very low levels of coverage. You should obtain coverage at much higher levels. Some dealers offer a package of free insurance, typically in the premium range of 20,000 baht. There are several considerations in connection with insurance.

First, the company. There are five or six big ones. You should look around to see the company that has offices and agents in your area. This is important because in the event of a serious accident, you want to be able to call a representative of the company and have that person appear at the scene. Arriving in less than one hour is considered acceptable, while a half an hour is ideal.

Another consideration in deciding on

an insurance company is the coverage. The companies sell car insurance in packages.

You can't simply decide what coverage you want for liability (third-party) insurance and for accident. Instead, you have to see what the package is and try to get one that gives you about what you want.

For example, if you want the value of your car 90 per cent covered for loss due to accident, fire or theft, and you also want liability insurance of 10 million baht per accident and one million baht per person for each accident, you may find that a particular company's closest package is only 80 per cent of coverage and 250,000 baht liability per person.

Companies vary widely on these issues, so you should check with at least three.

Every vehicle in Thailand must be registered. When you buy a car the dealer usually adds the official cost for this registration to the price of the vehicle and does the registration for you.

Every vehicle must also have a tax sticker, which has to be renewed annually at the local authority or Department of Land Transport Office. You must remember to do this every year.

When you drive, you must have your driving-licence and a copy of the vehicle registration book with you.

As with the tax sticker mentioned above, there is a fine if you are stopped by the police and are without either this or the licence or a copy of the registration book.

Now, what happens if you're in an accident? We'll tell you how to handle this next time. ■

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