
How to save money on auto insurance

What can we do to reduce auto insurance costs?

The one fundamental approach to reducing overall auto insurance costs is being honest. A recent survey noted that insurance fraud occurs because of peoples' need for money. One-third of the people surveyed said those committing fraud do so in order to make up for the deductible they would have to pay. Fraud has added \$4.8 to \$6.8 billion in excess payments to auto injury claims alone. These excessive payments force the carriers to increase their rates. Claim fraud is not alone. According to the Coalition Against Insurance Fraud, auto carriers lose an additional \$15.9 billion due to premium rating errors in private-passenger premiums. Premium rating errors account for nearly 10 percent of the \$161.7 billion in personal auto premiums written. These premium errors also could be fraudulent underwriting given to the carriers; a misrepresentation of how many miles are driven or an inaccurate listing of all licensed drivers in the household.

How can I save money on my own auto insurance?

There are a number of choices you can make to put some of your auto insurance dollars back into your own pocket.

Reducing the amount you drive may reduce auto insurance costs. If you car pool or use public transportation on a regular basis, you may be eligible for a premium reduction.

If you are a young driver, or if you have a young driver living in your household,

who either has completed an approved driver-education course, or gone away to a school more than 100 miles from home, your premiums may be lower. Drivers who complete an approved defensive-driving course also may be eligible for premium reductions.

You may not need all of the auto coverage you're carrying. Since cars depreciate over the years, you may want to discuss with our agency whether comprehensive and/or collision coverage is worthwhile for an older car.

Increasing deductibles under auto collision and comprehensive coverage also can save you money by lowering premiums. Higher deductibles mean greater out-of-pocket expense if you have an accident; however, most drivers can save over the long run while still being protected from large losses by raising their deductibles.

High-priced, high-performance and sports cars generally are more expensive to insure because replacement parts and repair labor cost more. Some companies will not accept an application for "hot" cars or cars with bad safety ratings, which means you could be placed in a more expensive program to obtain coverage. Expensive cars also are more attractive to thieves. Additionally, insurance can be more expensive for smaller sports cars that are more easily damaged. Call us before you purchase your next vehicle. We can tell you how your insurance costs will vary based on the vehicle you choose.

What else affects my rates?

Statistics show that young drivers; males younger than 25; and unmarried males have more frequent and severe accidents than other groups of drivers and, therefore, are more costly to insure. If you marry or reach age 25, you should contact us for possible reductions in your auto premiums.

Traffic violations, accidents and driving while intoxicated or driving while ability impaired convictions can all raise your auto insurance premiums. It's important that all drivers in your household realize the full implications of their bad driving habits. Even if no one gets hurt in a drunken-driving or speeding incident, the financial consequences can be painful and long term.

Many insurance companies offer premium discounts if you: complete an approved defensive-driving course; insure more than one car or your home with the same company; have anti-lock brakes; have anti-theft devices or air bags in your car; belong to a car pool; or are an older driver.

For more detailed information on how you can reduce your auto insurance premiums, contact our agency.

