



# Auto Policy Checklist

*Prepare Now for a Successful Review*



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## Shopping for auto insurance?

The price you pay for your auto insurance can vary by hundreds of dollars, depending on your driving record, the type of car you have and the insurance company you buy your policy from. It's important to understand your auto insurance policy. That's why all those commercials telling you, you can save money, some in 15 minutes or less, may not be providing you adequate coverage to protect what you have. The worse time to find out the coverage you purchased online or over the phone by someone you have no idea where or who they are, has left you financially exposed. Don't allow a low-cost alternative to position itself as having like capabilities. You've always heard you get what you pay for. Here is a list of things you can do to save money:

### **Before you buy a car, compare insurance costs**

Your premium is based in part on the car's sticker price, the cost to repair it, its overall safety record and the likelihood of theft. Many insurers offer discounts for features that reduce the risk of injuries or theft, such as air bags, anti-lock brakes, daytime running lights and anti-theft devices. For more information on car safety, check the Insurance Institute for Highway Safety. Cars that are favorite targets for thieves cost more to insure. For more information on car theft, check the National Insurance Crime Bureau (NICB).

### **Ask for a higher deductible**

Your deductible is the amount of money you pay out-of-pocket before your insurance policy kicks in. By requesting higher deductibles, you can lower your costs substantially. For example, increasing your deductible from \$200 to \$500

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## **Reduce coverage in older cars**

Consider dropping collision and/or comprehensive coverage on older cars. It may not be cost-effective to continue insuring cars worth less than 10 times the amount you would pay for coverage. Any claim payment you receive would not substantially exceed your premiums minus the deductible. Claims occur on average only once every 11 or 12 years. Auto dealers and banks can tell you the worth of a car, or you can look it up online at Kelley Blue Book.

## **Buy your homeowners and auto coverage from the same insurer**

Many insurers will give you a discount if you buy two or more types of insurance from them. Also, you may get a reduction if you have more than one vehicle insured with the same company. Some insurers reduce premiums for long-time customers. But shop around carefully; you may still save more money buying from a different insurance company even with the multi-policy discount.

## **Take advantage of low-mileage discounts**

Some companies offer discounts to motorists who drive a lower than average number of miles per year. Low mileage discounts can also apply to drivers who carpool to work.

## **Maintain good credit**

Your credit rating may affect what you pay for insurance, so monitor it carefully. You can get this information directly from the three major credit-rating agencies (Equifax, Experian, Trans Union). There are also various Web sites that allow you to check your credit rating and provide tips on how to improve your score.

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## Seek out safe driver discounts

Most insurance companies offer discounts to policyholders who have not had any accidents or moving violations for a number of years. You may also qualify for a cut if you have recently taken a defensive driving course, if you are over 50 and retired, or if there is a young driver on the policy who is a good student, has taken a drivers education course or is away at a college, generally at least 100 miles away.

## When you comparison shop, inquire about discounts for the following:

- No accidents in 3 years
- Drivers over 50 to 55 years of age
- Defensive driving course
- College students away from home
- \$1,000 deductible
- Anti-lock brakes
- Daytime running lights
- More than one car insured with the same company
- Auto and homeowners coverage with the same company
- No moving violations in 3 years
- Driver training course
- Student drivers with good grades
- \$500 deductible
- Air bags
- Anti-theft device
- Low annual mileage
- Long-time customer

But don't forget that the key to savings is not the discounts but the final price. A company that offers fewer discounts may still have a lower overall price.

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