



YOUR WORLD COVERED

11 WAYS TO SAVE MONEY ON YOUR AUTO INSURANCE

By: Eve Insurance

So you're shopping around for auto insurance. What do you need to know? Well, there are many ways – *at least 11* – that can save you money. Many of these money-saving ideas may apply to you.

1. **One Insurer, Multiple Policies** – Do you have home and auto insurance policies? (By the way, renters need home insurance too.) If both policies are not with the same company, *you're paying too much – for both policies*. Almost every insurance company offers a multi-policy discount for purchasing both home and auto insurance. (Some even offer additional discounts for buying a liability umbrella and life insurance.) Typically, these discounts will save you at least 10% on both policies.

Tip - Ask your agent about multi-policy discounts.

2. **Good Driver, Good Price?** – It's no secret that the better your driving record, the less you will pay for auto insurance. However, many people qualify for even deeper discounts if they are claims free, plus ticket free.

Tip - Make sure you are getting the best discount for your driving record. Ask you agent if you qualify for these additional discounts. And remember, be a safe driver. It will save you money.

3. **The Beauty of the Bus (or Other Mass Transit)** – Do you drive to and from work? If you do, you are literally paying a premium to do so. Insurance companies charge you significantly higher premiums if you drive to work. And, the longer your commute (distance, not time), the higher the premium.

Tip - Use mass transit if it is available and tell your agent you don't drive your vehicle to work. You will save money on gas and lower your insurance premiums.

4. **Strength (Low Prices) in Numbers** – Many companies offer substantial discounts for group members. Credit Unions, Professional Associations, Service Groups negotiate special rates based on group characteristics.

Tip - If you are a member of a group, ask your agent if you qualify for addition discounts.

5. **High-Profile, High-Cost** – The type of car you drive is a major factor in how much you pay for insurance. Is your vehicle a magnet for thieves? Is it more expensive to repair than most cars? If the answer to either of these questions is yes, you are paying more for your insurance.

Tip – Visit the Insurance Institute for Highway Safety’s vehicle rating page at www.iihs.org/ratings/default.aspx for information on your car’s characteristics.

6. **Raise Your Deductible** – The deductible is the amount you pay before insurance kicks in if you have a claim. For example, if you have a \$250 deductible and you have an accident in which your car sustains \$1,000 in damage, you pay the first \$250 and your insurer pays the balance, \$750. The lower the deductible you choose, the more you pay. Carry the highest deductible you can afford to pay if you have a claim.

Tip - Ask your agent how much you will save by raising your deductible.

7. **Drop Unnecessary Coverage** – Let’s say you have an older car, one not worth very much. There is little point in having comprehensive or collision coverage if the value of the car is not worth the cost of the coverage. Remember, you have to subtract your deductible from any potential claim settlement.

Tip - generally, any car worth less than \$2,000 should not have collision or comprehensive coverage. Between the deductible and the extra expense of the coverage, the cost is probably greater than the benefit. How much is your car worth? Start by looking up your vehicle’s value at www.nadaguides.com or www.kbb.com to decide the coverage that is right for you.

8. **Discounts, Discounts, Discounts** – Auto insurance companies offer discounts for a variety of reasons: air bags, anti-lock brakes, anti-theft devices, good student, good driving record, claim free, high insurance score and more.

Tip - Ask your agent about all of the discounts available!

9. **Taking the Defensive** – Many insurance companies offer discounts to those who have recently taken a defensive driving course.

Tip – AARP has lots of good information regarding available courses.

10. **Low-Cost and High-Cost Areas** – Are you planning to move? If you are, you should take into account the cost of insurance. Generally, the more congested the area, the higher the premium. The costs can vary even within a community.

Tip – Highly populated areas (i.e. larger cities) will have higher insurance rates. Choosing to live in suburban or rural areas will lower your rates.

11. **Credit Where Credit Is (Or Is Not) Due** – If you have a good insurance score (similar to your credit score), you will pay lower premiums. Several studies have found that people who are careful with their use of credit tend to file fewer claims. As a result, most insurance companies use insurance scores as a major factor in determining your auto insurance rates.

Tip – Insurance scores vary by company, plus many will “freeze” your highest score as long as you do not let your policy cancel. Ask your agent for specific information regarding your company and how they use insurance scoring.

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