



TIPS FOR SAVING MONEY ON AUTO INSURANCE

1. Shop Around

Prices differ from company to company, so it pays to shop around. Get at least three price quotes. You can call companies directly or research the information online. Your state insurance department may also provide comparisons of prices charged by major insurers. North Carolina Department of Insurance (1-855-408-1212) or www.ncdoi.com.

While shopping, get quotes from different types of insurance companies. Some sell through their own agents; some sell through independent agents who offer policies from several insurance companies. And a growing number of insurers sell directly to consumers over the phone or via the Internet.

Lastly, don't shop by price alone. Ask friends and relatives for their recommendations. Contact your state insurance department to find out whether they provide information on consumer complaints by company. Work with an insurance professional who takes time to answer your questions.

2. Before You Buy a Car, Compare Insurance Costs

Before you buy a new or used vehicle, check the insurance cost. Auto insurance premiums are based in part on the car's 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. You can research safety rankings for specific models with the Insurance Institute for Highway Safety's (IIHS) Top Safety Pick ratings tool.

3. Higher Deductibles Could Mean Lower Premiums

A deductible is the amount you pay before your insurance policy kicks in. By choosing a higher deductible, you can significantly lower your costs. Before choosing a higher deductible, however, be sure you have enough money set aside to pay it if you have a claim.

4. Reduce Coverage on Older Cars

It pays to review your coverage at renewal time to make sure your insurance is in step with your needs. For example, if your car is worth less than 10 times the premium, purchasing the coverage may not be cost effective. When this is the case, consider dropping collision and/or comprehensive coverage. It's easy to research the worth of your vehicle online—Kelley, National Association of Auto Dealers (NADA), and TrueCar are among the many free sites available.

5. Buy Your Homeowners and Auto Insurance from the Same Company

Many insurers will give you a break if you "bundle" two or more types of insurance, or have more than one vehicle insured with them. Most offer some kind of discount to loyal customers. Even so, it still makes sense to shop around! Compared with a multipolicy discount from a single insurer, you might still save money buying from different companies.

6. Maintain a Good Credit History



Establishing a solid credit history has many benefits, including lower insurance costs. Most insurers use credit information to price auto insurance policies. (Research shows conclusively that people who effectively manage their credit make fewer claims). To be sure you're getting the good credit you deserve, it's a good idea to check your credit record on a regular basis to be sure all information is accurate.

7. Take Advantage of Low Mileage Discounts

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

8. Ask About Group Insurance

Some companies offer reductions to drivers who get insurance through a group plan from their employers or through professional, business and alumni groups or from other associations.

9. Seek Out Other Discounts

Companies offer discounts to policyholders who:

- Have not had any accidents or moving violations during a specified period.
- Have taken a defensive driving course.

If there is a young driver on your policy who is a good student, has taken a driver's education course or is away at college without a car, you may also qualify for a lower rate. But one important thing to keep in mind is that the key to savings is not necessarily getting discounts, but the final price. A company that offers few discounts may still have a lower overall price.