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# **The Circle Of Safety:**

**How to Protect Yourself, Your Family,  
and Your Business with Today's Insurance**

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## ***How Do You Get the Most for Your Money? 11 Ways to Save Money on Your Car Insurance...***

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

1. **One Insurer, Multiple Policies** -- Do you have a homeowners or renters insurance policy? If so, is it with the same insurance company that provides your auto insurance? If the answer is no, ***you're paying too much -- for both policies.*** Almost every insurance company that sells auto insurance wants its policyholders to also buy homeowners or renters insurance from that company.

These insurers offer so-called multi-policy discounts. Usually, these discounts are at least 10% -- and some insurers apply the discounts to both the auto and the homeowners/renters policy.

☛ **Tip.** Talk to 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. But did you know that most people qualify as "good drivers" and are eligible for discounted premiums? Some good drivers pay a lot more than others, however.

Many auto insurers are actually a collection of several insurance companies in which each caters to a certain type of driver. The worst drivers go in one company,

the best in another, and a lot of people wind up in one of the middle companies.

These middle people pay less than the worst drivers, but more than the best. The thing is, many of these middle people have driving records that are just as good as those who are insured by the companies that offer the lowest rates. Yet these middle people are paying more. Why?

The usual reason is that they don't know any better. No one told them which insurance company in the group had the best prices. And, probably, no one told them there was even a group of insurance companies. If you have a spotless driving record, there's no reason you shouldn't be paying the lowest price a group of insurance companies has to offer.

☛ **Tip.** Make sure you're getting the best discount for your driving record. Talk to your agent. 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 (in miles, not minutes), the higher the premium.

☛ **Tip.** Some drivers should consider mass transit. Yes, there's a price there, too. But you will reap the savings of gas and lower insurance costs.

4. **Low Mileage, Low Price** -- On average, people drive 1,000 to 1,250 miles a month. That is what insurance companies consider average use.

☛ **Tip.** If you drive less than the average, you could be eligible for low-mileage discounts, which some insurers offer.

5. **High-Profile, High-Cost** -- The type of car you drive is a major factor in what 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 the last two questions is yes, you're paying more than the average car owner for insurance.

☛ **Note.** To get detailed information on your vehicle(s) -- or a vehicle you're thinking of buying -- write to the Insurance Institute for Highway Safety at 1005 North Glebe Rd., Arlington, VA 22201 and ask for the "Highway Loss Data Chart."

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. If you have assets, you can probably afford to absorb at least \$250 and probably \$500 if you have a claim.

☛ **Tip.** If it's been years since you've had an accident, you may be better off raising your deductible and paying less each year for insurance.

7. **Drop Unnecessary Coverages** -- Let's say you have an older car, one not worth very much. There's really little point in having collision and comprehensive coverages. You don't have much to protect. Remember, too, that you have to subtract your deductible from any potential payout you might get.

☛ **Tip.** As a general rule, any car worth less than \$1,000 shouldn't have collision and comprehensive coverage. Between the deductible and the extra expense of these coverages, the cost is probably greater than the benefit. How much is your car worth? An auto dealer can tell you, or there are plenty of books that have values of vehicles going back many, many years.

8. **Discounts, Discounts, Discounts** -- Auto insurance companies offer several discounts for a variety of reasons. The car has automatic seat belts, air bags, anti-lock brakes, anti-theft devices, etc. The driver is a good student, which is especially valuable if you have teenage children who will be on your policy.

☛ **Tip.** Make sure you are taking advantage of all the discounts available to you!

9. **Taking the Defensive** -- Many insurance companies also offer discounts to those who have taken defensive driving courses recently.

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 urban the area, the higher the premium. The costs can vary even within a community.

☛ **Fact.** Rates can really vary from state to state. If you're living in New Jersey, Massachusetts or Hawaii, you're paying several times more, on average, than you would in North Dakota, South Dakota or Idaho.

11. **Credit Where It Is (Or Is Not) Due** -- Is your credit record better than your driving record? If you have a

good credit record, you could be eligible for discounted premiums from several auto insurance companies.

☛ **Fact.** Many insurers now use your credit history as a major factor in determining what to charge you for auto insurance. In some cases, with some companies, you could save money by shifting your business to an insurer that uses credit as a rating factor -- even if you have a so-so or poor driving record. There is another side to this coin. If you have a poor credit history, you could save money by moving your auto insurance to a company that does not use credit as a rating factor. Many insurers do not use credit as a factor.

☛ **Tip.** Regardless of your credit status, you should talk to your agent to make sure you have the best situation given your credit record, good or bad.

Whatever your driving record or coverage needs, you should shop around, or let an experienced insurance professional shop around, for the best deal for you. There are literally thousands and thousands of coverage options from hundreds and hundreds of insurance companies.

In addition, not only should you try to get the best deal you can, you also need to make sure you have all the coverage you want/need. Using an Independent Insurance Agent is usually your best bet to get the most value for your auto insurance dollar.