



Comparison Shopping for Insurance

When you are shopping for insurance, no matter what kind, it's always best to comparison shop. It's just like any other purchase that you make and maybe even more important. You want to get the best possible coverage, at the best possible price!

You have no doubt seen it mentioned, on our site, that the only way to efficiently and accurately comparison shop is by contacting your independent insurance agent. He/she represents numerous insurance carriers and does not just work for one, therefore he /she represents YOU, not a company!

When you comparison shop, here is a short list of things that you should ask about discounts for:

- Antitheft Devices
- Auto and Homeowners Coverage with the Same Company
- College Students away from Home
- Defensive Driving Courses
- Drivers Ed Courses
- Good Credit Record
- Higher Deductibles
- Low Annual Mileage
- Long-Time Customer
- More than 1 Car
- No Accidents in 3 Years
- No Moving Violations in 3 Years
- Student Drivers with Good Grades

*The discounts listed may not be available in all states or from all insurance companies.

The key to saving is not the discounts, but the final price. Remember, a company that offers very few discounts may still have a lower overall price!

Before You Buy a Car, Compare Insurance Costs

Before buying a new or used car, check into insurance costs. Car 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. One way to help you to decide which car to buy or not buy is to get information about it from the Insurance Institute for Highway Safety (www.iihs.org).

Ask for a Higher Deductible

Deductibles are what you pay before your insurance policy kicks in. By requesting a higher deductible, you can lower your costs substantially. For example, increasing your deductible from \$200 to \$500 could reduce your collision and comprehensive coverage cost by 15 to 30%. Going to a \$1,000 deductible can save you 40% or more. Before choosing a higher deductible, be sure you have enough money set aside to pay it, in case you ever have a claim.

Reduce Coverage on Older Cars

Consider dropping collision and/or comprehensive coverage on older cars. If your car is worth less than 10 times the premium, purchasing the coverage may not be cost effective. Auto dealers and banks can tell you the value of your car. You can also look it up online at Kelley's Blue Book (www.kbb.com). Be sure to review your coverage at renewal time to make sure that your insurance needs haven't changed.

Buy Your Homeowner's and Auto Coverage from the Same Insurance Carrier

Many insurers will give you a break if you buy two or more different types of insurance coverage from them. You may also get a reduction if you have more than one vehicle insured with the same company. Some insurers will also reduce the rates for long-time customers, but it still makes good sense to shop around!

One of the best ways to keep your auto insurance costs down is to have a good driving record. Here are some more!

Shop Around

Prices vary from company to company, so it pays to shop around. Get at least three price quotes. You can call companies directly or access information on the Internet. Your state's insurance department may also provide comparisons of prices charged by major insurers.

You buy insurance to protect you financially and provide peace of mind. It's important to pick a company that is financially stable. Check the financial health of insurance companies with rating companies such as A.M. Best (www.ambest.com) and Standard & Poor's (www.standardandpoors.com/ ratings) and you can also consult consumer magazines.

Get Quotes from Different Types of Insurance Agencies

Some insurance companies sell through their own agencies. These agencies have the same name as the insurance company that they represent. Other insurance companies sell through independent agents, who offer their clients policies from several different insurance

companies. Still others do not use agents. They sell directly to consumers over the phone or via the Internet.

No matter which method you choose or if you try them all, don't shop by price alone. You can also ask friends and relatives for their recommendations. Contact your state insurance department to find out whether they provide information on consumer complaints by company. Pick an agent or company representative that takes the time to answer your questions.

You may also save money buying from different insurance companies, as compared to having a multi-policy discount.

Maintain a Good Credit Record

Establishing a solid credit history can cut your insurance costs by a noticeable amount. Most insurers use credit information to price auto insurance policies. Research shows that people who effectively manage their credit have fewer claims.

To protect your credit standing, pay your bills on time, don't obtain more credit than you need and keep your credit balances as low as possible. Check your credit record on a regular basis and have any errors corrected promptly, so that your record remains accurate.

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 car pool to work.

Ask about Group Insurance

Some companies offer reductions to drivers who get insurance through a group plan from their employers, through professional, business and alumni groups or from other associations. Ask your employer and inquire with groups or clubs that you are a member of to see if this is available.

Look for Other Discounts

Companies offer discounts to policyholders who have not had any accidents or moving violations for a number of years. You may also get a discount if you take a defensive driving course. If there is a young driver on the 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.

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