

Consumer Alert from the Utah Insurance Department: Tips for Saving Money on Auto Insurance

Auto insurance is an important — and oftentimes, mandated — purchase for most Americans. The average annual auto insurance premium nationwide in 2000 was \$687 per vehicle. Here are some tips from the Utah Insurance Department to help you get the best value for your auto insurance dollar.

1. Maintain a Good Driving Record

Companies charge safe drivers (i.e., free of at-fault accidents or violations) lower rates for automobile insurance. Each company has different guidelines to determine what price an individual will be charged.

2. Comparison Shop

It pays to shop around before buying insurance, since prices can differ among companies. In addition to cost, you should also carefully consider other factors such as service, dependability and the financial condition of the insurance company.

3. Give Complete, Correct Information

When you call for a quote or fill out an application, give complete and correct information. Since your premium quote will be based on this information, it is very important that your information be as accurate and complete as possible.

4. Ask About Discounts

Ask your agent or company if you are eligible for any discounts. Here are some discounts that may be offered:

- Two or more cars on a policy
- Participation in driver education courses
- Good student driver under age 25
- Mature driver (between 50 and 65 years of age)
- Airbags or other safety equipment
- Anti-theft devices
- Auto/home insurance on same policy or with same company

5. Verify Your Information, Policy

When you receive your insurance policy, check that the information used to determine your premium is correct. In particular, you should verify that:

- Your mailing and/or home address is correct
- Each vehicle is properly classified
- All discounts to which you are entitled are applied
- Your vehicle(s) make and model are correct
- All drivers' age/birth date(s) are correct

6. Consider Revising Coverage, Deductibles

You may reduce your auto insurance costs by raising the deductibles on physical damage (collision and comprehensive) coverages. Be sure to review your current deductibles to determine whether you can afford to absorb a larger portion of your loss in the event of an accident. Also, consider lowering or eliminating physical damage coverages on older vehicles — unless a lienholder, such as a bank, requires it.

7. Consider Cost of Insurance Before Buying a Car

Insurance companies usually charge higher premiums for cars that cost more to repair or offer occupants less protection from accidents. Companies may also charge more for cars that tend to cause more damage when involved in accidents, such as certain sport utility vehicles (SUVs). Cars with high theft rates, such as sports cars, also cost more to insure.

8. Regularly Review Your Policy; Update Accordingly

Regularly review your policy to make sure the basis for your premium is as accurate as possible. Here are some factors that can affect your premium:

- Adding or removing a vehicle from your policy
- Replacing an older vehicle with a newer one
- Adding or removing a driver
- Increasing or decreasing the number of miles driven each year
- Moving to a new address

9. Get More Information

For more in-depth information, order a copy of the “Consumer’s Guide to Auto Insurance” from the NAIC at www.naic.org. If you believe you have been treated unfairly in shopping for auto insurance or in getting a claim paid, please contact the Utah Insurance Department by phone, 538-3890 or 1-800-439-3805, or email us at prop-cas@insurance.utah.gov.