

Auto Insurance Tips That Work And Save You Money.

1. Shop around. The difference in price between various companies can be significant. What one company may consider a high risk factor another company may not view as so important.

When receiving quotes be sure to ask the agent does the company charge any endorsement fees? These fees can range from \$20 to \$30 just for making any type of change to your existing policy.

By comparing multiple auto insurance quotes, you could discover hundreds of dollars of savings. A particularly good time to investigate your alternatives is when your current policy is about to be up for renewal, especially if you find that your premium has gone up. You may be surprised to learn that auto insurance premiums for the exact same coverage on the same car can vary widely (by hundreds of dollars) between different insurers, even in states that regulate auto insurance rates.

Going without insurance is generally not an option. In most states, you are required by law to purchase a minimum amount of liability coverage for the car you own and drive. Also, you should probably have more than just the bare minimum if you want to provide yourself with adequate protection.

2. Buy a lower profile car.

Cars are rated on a risk scale for auto insurance purposes. In general, sports cars and other high-performance, flashy vehicles are classified as higher risks because they are common targets for thieves and vandals, and because statistically, the people who own them tend to drive more recklessly. If you own such a vehicle, you will likely pay a higher premium than if you owned a station wagon, sedan, or other low-risk vehicle.

3. Consider Third Party Only coverage.

A third party only insurance policy is the minimum amount of coverage legally required - it is also the cheapest. Generally speaking you should consider opting for this type of policy if your vehicle is of low value. In the unfortunate event of having an accident, any damage to a third party vehicle will be covered but any damage to your vehicle is not. However, if your vehicle is of little value then you may not be too concerned. It may not be worth paying extra for a Fully Comprehensive policy in these circumstances.

4. Maintain a good credit rating.

More and more insurance companies are adopting credit scoring techniques as part of the overall calculation of your car insurance premium. By keeping a good credit history you may

avoid any additional premium that companies add to your price for having a bad credit score.

5. Buy on the web.

Many insurance providers now offer some good discounts for buying the policy over the internet. The theory is that by purchasing your insurance over the web, you are saving the company money by not requiring telesales agent time and incurring free-phone costs. This saving is passed on to you in the form of a discount for buying online. If you have got prices by telephone then check your quote again on their website, you may be surprised at how much cheaper it is.

6. Increase your deductible.

Raising the deductible on your auto insurance can sometimes be a good way to cut the cost of the policy. Sometimes you can reduce your annual premium by 10 percent or more if you increase your deductible from, say, \$250 to \$500. If you do increase your deductible, make sure that you have the financial resources to handle the larger deductible when the time comes.

7. Reduce your annual mileage.

How many miles you do a year is a common question that can affect your car insurance premium. The more miles you do the more your premium is likely to be. Quotation systems and telephone agents will often suggest an amount of miles for you. Try and work out how many miles you will genuinely do. It may be less than the amount suggested. Of course, you should always give an honest answer to this and other questions.

8. Keep a clean driving record.

This may be easier said than done. However, by having few or preferably no driving convictions, you can avoid being penalized by increases in your car insurance premium. Getting caught with a speeding fine is often not the only financial penalty you incur. Insurance companies take very seriously all driving convictions and it is usually an important part of their rating process. You can expect an increase in the cost of your insurance if you do get caught with a driving conviction, so it pays to be a safe driver.

9. Keep claim free.

This ties in neatly with number 8 above. The biggest factor affecting the cost of your car insurance premium is how many No Claims Bonus Years you have. Full No Claims Bonus is generally considered by most companies to be five years or more, this can give you huge discounts, in some cases up to 75%. By being a safe driver and avoiding potential claims, you can continually benefit by building up your number of claim free years. Every additional No Claims Bonus year you get, the lower your car insurance cost should be. Some companies give you the option of paying a bit more on your premium to protect your No Claims Bonus.

10. Be realistic about the value of your car.

Most of us have an inflated view as to what our car is worth. When asked the value of your vehicle during the insurance quotation process, people will often state an amount that is

unrealistic and above the real value of the car. People do this as they believe that this is what they will get back from the insurance company in the event of a claim. The reality is that the company will only pay out what the car is worth at the time of the claim and not what you stated for the quote. In fact, by giving a high and unrealistic value, you can increase your car insurance premium as this is often a factor affecting your final price.

11. Remove unnecessary named drivers.

Additional drivers on your policy usually mean a higher premium. A lot of people add a number of extra drivers on the policy just in case that person needs to drive the car. However, having all these drivers will push up the cost. By only naming drivers on the policy that will definitely driver the car, you can lower the final cost. If you find that an unnamed driver needs to drive the vehicle then most companies will allow you to temporarily add a new named driver for a small cost.

12. Improve your car security.

Theft of and from your vehicle are important considerations when insurance companies calculate your price. Most companies will give you a discount for having better security of your vehicle. An alarm and immobiliser will usually attract a small discount whilst having a tracker device installed may give you a larger reduction. Some companies may insist on having such devices installed on more expensive and desirable cars before they even consider offering you a price.

13. Take an advanced driving test.

Although not compulsory, taking an advanced driving test can not only improve your driving skills but also help to lower your car insurance premium. Some companies look favorably on people who have taken the advanced test as it shows commitment to safe driving thus lowering the chance of having a motoring accident.

14. Pay your premium in one go.

By paying for your car insurance all in one go, you can avoid paying additional interest charges that would be added on if you opted to pay by installments. The interest charges can be quite significant, so if your finances allow, you can save a good amount of money by paying for the whole lot up front. In some cases, companies may even give you a small discount for doing this.

15. Keep your car in the garage.

Keep your car in a garage. Cars parked in garages are less likely to be stolen, vandalized, or struck by other vehicles. Using a garage to store your car may entitle you to a slight premium reduction.

Note: If you're going to have this garage clause in your policy, be sure to keep your vehicle in your garage at all times over night. In most cases some companies may not pay a claim if your vehicle is kept outside over night. To be safe keep vehicle in your garage.

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