

## Reducing Your Auto Insurance Costs

Driving a car is one of the most potentially perilous things we can do. One wrong turn, one moment of hesitation, one second of taking your eyes off the road, one errant driver and the consequences may be severe and expensive. That potentially high cost is transferred to automobile insurance premiums.

There are many factors involved in determining auto rates, many of which are beyond our control. However, there are things you can do to save money on automobile insurance costs. Keep reading to learn more.

### Safe driving

Most insurers offer their lowest rates to drivers with good driving records. Drivers with impeccable records can save as much as 60% over drivers who cause accidents.

### Money Saving Discounts

Insurance companies often offer a number of special credits to customers who've done something to reduce their risk of accidents. In some cases, these credits are a way to reward valuable customers for their loyalty and continued business.

These credits are described in general terms so check with an independent agent or Travelers representative to find out the specific details of credits your auto insurer offers. Your agent or Travelers representative will also be able to tell you which credits are available in your state, too, because these credits aren't available everywhere.

- **Anti-lock Brake Credit:** Anti-lock brakes are an automatic safety feature that reduces your risk and that means you could qualify for a credit on your policy.
- **Anti-theft Credit:** These security features could qualify you for credit because you've reduced your risk by installing:
  - alarms and active disabling devices (systems that you need to turn on)
  - a passive disabling device (automatically kicks in when you remove the key from the ignition)
  - keyless devices (like a remote door lock on your key chain)
  - tubular locks (like a bar that locks on your steering wheel)
- **Car Pool Credit:** Do you commute to work and home in a car pool with two or more people? You'll save more than the cost of gas and car maintenance. You could qualify for a credit on your auto policy, too! That's because you'll use your car less often, especially during the busy, stressful morning and evening hours when your chance of an accident is greater.
- **Defensive Driver Credit:** Drivers at least 55 years old who have completed a state-approved defensive driver or accident prevention course could qualify for savings. This credit may be good for only a certain number of years from the completion date of the course.
- **Driver Training Credit:** A driver under the age of 21 who has taken a driver training course could qualify for savings. That's because the better the driver, the lower the risk.
- **Forgiveness Credit:** This credit is usually available to drivers who've loyally maintained their auto policy with the same insurance carrier for many years. The first minor traffic accident (like a fender bender) that is estimated below a certain dollar amount may not be marked against them. It won't raise the cost of their insurance either.
- **Good Student Credit:** If a driver in your household is younger than 25 years old and is a full-time student with a B average, they could qualify for a credit. This may be because a conscientious student is more than likely a conscientious driver!

- **Loss Free Credit:** Some insurance companies will give you a credit if you haven't made any claims during the first few years that you've had your policy. Being a good customer and a low risk applies here!
- **Low Mileage Credit:** The amount of miles you travel in a year could mean you'll get a credit on your policy, depending on how low that mileage figure is. That's because the lower the miles on the road, the lower the risk of an accident.
- **Mature Driver Discount:** Some companies offer credits for drivers over the age of 55.
- **Multi-car Credit:** Insuring more than one car with your auto insurance company may make you eligible for savings.
- **Multi-Policy Credit:** You could save money if you have more than one type of policy with the same insurance company (for example, an auto policy and a homeowners policy). The more good business you give the company, the more valuable you are as a customer.
- **Passive Restraint Credit:** Most insurance companies will give you credit if your car has air bags, automatic seat belts, or other safety features that you don't have to turn on or buckle up manually. These features automatically reduce your risk of injury.
- **Renewal Credit:** Once you've had your auto policy for a certain number of years, you'll begin to get a credit each year you renew. (It's the good customer thing again.)
- **Student Away Credit:** You could get credit if a driver in your household is a student living away at a school. If your student is more than 100 miles from home and doesn't have a car, that driver's risk is lowered because his or her time behind the wheel is reduced.

### **Deductibles**

A common deductible amount (what you pay out of your own pocket before your insurance policy kicks in) ranges from \$200 - \$300. Choosing a higher deductible can mean paying less for your policy. Consider the rising costs of car repairs and what you can afford to pay out of your own pocket.

### **Safer cars benefit**

A car that is practical, safe to drive, and inexpensive to repair (relatively speaking!) will cost less to insure. High-performance cars (that hot sports car you've always longed for!), expensive cars that are costly to repair, and cars that are likely to be stolen will, of course, cost more to insure. Check the crash-test reports, repair records, and manufacturer recalls of any car you are considering. A consumer protection magazine can be very useful. Or, surf the many car sites on the net.

### **Eliminate unnecessary coverages**

If you drive an older car with little cash value, consider eliminating "collision" and "comprehensive" coverage from your policy. If the cost to repair body damage to an older car is more than the value of the car itself, the insurance company will appraise the car as "totaled" and give you only the amount of the car's value. Be sure you're not over-insured!

### **Sponsored programs**

A number of companies, credit unions and associations make auto insurance available to their employees or members through Travelers. The special program rates reflect the administrative savings Travelers passes on to members of a large group. Credit union and association members can pay their premiums through small, regular deductions from their checking or savings account. Employees can have their premiums automatically deducted from their paycheck. Check with your employer, credit union or association to find out if they enhance their benefits by sponsoring this type of insurance program offered by Travelers.

**Fraud**

Did you know that fraud costs you about ten cents for every dollar you spend on insurance? Think about this: if you own a home and two cars and pay \$1,800 for insurance each year, you'll have spent \$900 on fraud in just five years. So, ask your state legislators to make the fight against insurance fraud one of their priorities. Report insurance fraud to your insurance agent, Travelers representative or local police when you see or suspect it. Speak out against insurance fraud to your friends, family, and business associates. After all, it's not just the big insurance companies that pay. All those costs eventually filter down to you.