

# Saving Money on Your Insurance

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TEXAS COMMISSIONER OF INSURANCE

## *Controlling the cost of auto insurance*

**N**O MATTER WHAT you're paying for auto insurance coverage, it may seem like too much for a product you hope you'll never have to use. But if the time comes when you do need it, it will seem invaluable.

There are four basic ways to lower your auto insurance costs: shopping carefully, qualifying for discounts, raising your deductibles and most importantly driving carefully.

Unlike the homeowners market in recent years, there is a healthy amount of competition for your premium dollars among the state's auto insurers. While having more choices may require some research to select the best one for you, a competitive market helps keep prices in check and may also yield better customer service.

Along with shopping for the best deal, there are other ways to trim your car insurance bill. One of the easiest is to make sure that you are receiving every discount for which you are eligible. One of the best known is the 10 percent discount available for drivers who complete a state-approved driving safety course, but there are several others.

Having a car with certain equipment such as antilock brakes, airbags, daytime running lights or an anti-theft system can earn you a discount. Taking an approved drug and alcohol awareness course can save you five percent off your liability, collision, medical payments and personal injury protection premiums.

If you have teenage drivers on your policy your auto insurance costs will be higher, but even so there may be opportunities for savings. Ask whether your insurance company offers a discount for students with good grades. And if your child is away at college and does not have access to a car, be sure to tell your agent. That may qualify you for additional savings through the optional "student away at school" discount.

Maintaining a clean driving record is crucial to keeping your insurance costs low.

If you have had no tickets or accidents in the past three years, you may be eligible for a safe driver discount offered by some companies.

Most discounts vary among the different insurance companies, however the discounts for driver safety and alcohol and drug awareness classes are mandatory for all companies except the 24 carriers organized as "county mutuals."

Other factors that may affect your premiums are harder to control, such where you live or how you use your car. Your age also affects your rates. Male drivers under 25 and unmarried female drivers under 21 pay the highest rates. On the other hand, drivers over 50 years old may qualify for discounts given by some companies.

Drivers living in cities usually pay more than those living in rural areas. That's because statistics show accidents and auto thefts are more common in urban areas.

And if you use your car for business, you'll probably have to pay more for coverage. More miles on the road, means more potential chances for getting into an accident.

You also can lower your insurance rates by raising the amount of your deductible. The deductible is what you pay after a collision or comprehensive claim before your insurance coverage begins. But before you opt for a large deductible make sure you can afford it. Saving a few dollars each month in premiums may not seem like such a good deal if you don't have the funds available to cover your out-of-pocket expenses after an accident, theft or hail storm.

And finally, think about the car you're driving or plan to drive. Owning a high-powered "import" may sound like a lot of fun, but the insurance premiums that come with it, won't be. The more expensive, sporty or exotic your car is, the more expensive it will likely be to insure.

If you need more information about auto insurance, check out TDI's website at [www.tdi.state.tx.us](http://www.tdi.state.tx.us). ★

### **Editors:**

- If you need further information, call: **Texas Department of Insurance  
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(512) 463-6425**

*We welcome your questions and suggestions about this column.*