

# CONSUMER ALERT

---



NEBRASKA DEPARTMENT OF INSURANCE

402-471-2201 ~ TOLL-FREE CONSUMER HOTLINE 1-877-564-7323

WWW.DOI.NEBRASKA.GOV

## Tips for Saving Money on Auto Insurance

*Auto insurance is an important—and often mandated—purchase for most Americans, and is considered the second-most-costly part of vehicle ownership. Following are some tips 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. To give you an idea as to how insurance premiums may vary, the Nebraska Department of Insurance publishes “A Rate Comparison Guide for Auto Insurance” available at [www.doi.nebraska.gov/brochure/out98111.pdf](http://www.doi.nebraska.gov/brochure/out98111.pdf). 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. ESTABLISH A SOLID CREDIT HISTORY

Most insurers use credit information to price auto insurance policies. Research suggests that people who effectively manage their credit have fewer claims. To protect your credit rating, pay your bills on time, don't obtain more credit than you need and keep your credit balances low. Check your credit record on a regular basis and have any errors corrected promptly.

### 5. 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

## **6. 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

## **7. 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.

## **8. 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).

## **9. 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

## **MORE INFORMATION**

If you believe you have been treated unfairly in shopping for auto insurance or in getting a claim paid, please contact the Nebraska Department of Insurance at 402-471-2201, or call the Department's toll-free consumer hotline at 1-877-564-7323. Additional information is also available on the Department's website at [www.doi.nebraska.gov](http://www.doi.nebraska.gov).