

Reshop Your Car Insurance

Finding the lowest rate to protect you and your vehicle can be a challenge.

Average auto insurance costs can vary widely depending on who's calculating them, but a 2019 study of rates from major car insurance companies in every state found that the average policy in the U.S. is \$146 a month, or \$1,758 per year. However, factors such as age, gender, marital status, driving record, credit score and the vehicle you drive can greatly affect policy prices.

The upshot? You can take a number of steps to drive down your premiums. The best way is to comparison shop. Several online brokerages let you plug in basic details—such as your age and your car's make, model and year—to compare rates from insurance companies.

But to get an apples-to-apples comparison when shopping for quotes, says Tamara Naar, AAA's director of insurance services, use your insurance company's Declarations Page. The “dec page” is an industry standardized document that lists a plan's protections and coverage limits. By providing the dec page of your current insurance policy to other insurance companies, you can see whether they can beat the rate while offering the same terms.

Don't stop at price and policy terms. Also look at the health of the insurer. “Does the company have good financial standing? Do they have complaints against them through the Better Business Bureau? Those are important things to consider,” says Marissa Mounds, senior managing director of product management at Travelers Insurance. You may want to create a spreadsheet to keep track of rates and terms; include your current policy in the comparison. And don't forget that insurers typically cut you a break of 5% to 20% for bundling your auto policy with homeowners or other types of coverage.

Gusner recommends you reshop your policy once a year. Major life events can also warrant shopping for a new provider, she says. For example, if you need to add a driver to your policy, or you recently bought a house, “there may be a better car insurance provider out there for you based on your new circumstances,” Gusner says.

Although insurers look at the same basic factors, they weigh risk factors differently, she adds, “so finding the one that offers the best rates and service for your specific needs is what you're after.”

Click [here](#) to learn more about insurance policies offered by the NYSUT Member Benefits Trust-endorsed MetLife Choice platform.

To help keep your premiums down, consider the following strategies.

Raise your deductible. Your policy's deductible is the amount you'd pay out of pocket in the event of a loss before your insurance plan kicks in to cover any remaining costs. There are two

components: If your car is damaged or destroyed in an accident, *collision* coverage pays to fix or replace it. This applies if you hit another car or a stationary object.

Comprehensive coverage, meanwhile, protects against incidents that don't involve another vehicle, such as theft of your vehicle or its contents, vandalism, collision with an animal, glass breakage, or damage from falling objects, fire, explosion, earthquake, windstorm, hail, or flood.

Collision and comprehensive insurance cover you up to the value of your vehicle—and your insurance rates will usually go down as your car depreciates, Gusner says. Some plans offer a \$0 deductible, but generally the lower your deductible, the higher your premium. Hence, upping your deductible can help you curb your policy's costs. (Note that you can generally choose a different deductible for collision and comprehensive coverage.)

Increasing your deductible from \$250 or \$500 to \$1,000 can reduce your premiums by up to 20%. It can also prevent you from filing small claims that could lead to a rate increase or jeopardize a claims-free discount. You could use the savings to bolster your emergency fund.

If you're driving a clunker, it might make sense to drop collision insurance altogether. If your car is totaled, the payment you get from the insurer may not justify the higher premiums.

Claim any discounts you can qualify for. Many car insurance providers offer reduced rates for military personnel, veterans, good students, people with clean driving records, workers in select occupations (such as nurses and [teachers](#)), or affinity groups (such as alumni or fraternity associations). Some allow you to take a defensive-driving course in exchange for a rate reduction. Also, cars with advanced safety features, such as automated emergency braking or lane-departure warnings, can be less expensive to insure (but more expensive to repair after an accident).

Click [here](#) to learn more about the NYSUT Member Benefits Corporation-endorsed Defensive Driving Program.

Install a driving monitor. Many insurance companies will reduce your premiums if you prove that you're a safe driver. Businesses assess your driving skills by installing a monitoring device in your car or using a smartphone app to track your driving speed, braking habits and other factors. The savings can be substantial: State Farm's Drive Safe & Save program gives customers discounts of up to 50% on their auto insurance. And in most states you get an automatic discount just for participating. The caveat? Your insurance rate could increase if you (or your spouse or a teen driver) exhibit high-risk driving behavior.

Change to a pay-as-you-drive plan. If you don't drive often, signing up for a policy that is based on the mileage you log could make sense, says Floyd Yager, senior vice president of property management at Allstate Insurance. Currently, Allstate offers pay-as-you-drive plans in 14 states. The plans charge an average daily rate of \$1.25 to \$1.52, and an average per-mile rate of 9 to 10 cents. But not every insurance company offers a pay-as-you-drive plan.

Don't skimp on liability coverage. Liability coverage protects you if you or another person driving your car with your permission injures or kills someone or damages another person's property. Let's say you run a red light, strike another car and injure the driver. Under your liability coverage, your insurance company would pay claims to the other driver for vehicle damage and any bodily injuries, including medical and hospital costs, rehabilitation, nursing care, and possibly lost income and money for pain and suffering. (Note that liability insurance provides coverage for other people that you harm, not for you or your vehicle.)

Many insurers use shorthand to describe liability coverage. For example, a policy might be listed as 50/100/25. The first figure refers to the coverage (in thousands of dollars) for injury to one person in an accident, the second number is the limit for injuries to all people in the accident, and the third figure is the coverage for property damage.

Most people should buy more liability coverage than their state's minimum requirements. As a rule of thumb, says Gusner, drivers should get a policy that provides limits of 100/300/100. You may need more coverage if you own a business to ensure that your policy will cover any exposure. Also, consider beefing up your protection from a lawsuit on all fronts with an umbrella insurance policy.

NYSUT NOTE: The NYSUT Member Benefits Trust-endorsed MetLife Choice platform offers a variety of insurance policies to NYSUT members including auto insurance. [Learn more.](#)