

How to cut car insurance costs

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Are you paying too much for your [car insurance](#)? Perhaps it's time to re-evaluate your policy. Here are a number of ways to cut car insurance costs:

- **Raise your deductible.** Normally, increasing your deductible -- how much you pay out of pocket before coverage begins -- will lower your premium. Of course, this strategy could backfire if you get into an accident and have to pay thousands upfront. But if you and everyone on your [auto insurance](#) policy maintain a good driving record, this is easy savings.
- **Drive less.** Save the planet -- and money on insurance -- by carpooling to work. Most insurance companies base rates on annual mileage, so if you reduce yours there's a good chance you'll qualify for a lower rate. If you've recently moved, have a shorter commute, switched jobs or just have cut down on driving for any reason, talk to your agent about a rate cut.
- **Don't overbuy.** For newer cars, it makes sense to spend on collision and comprehensive insurance. Once a car is 10 years old or has more than 100,000 miles, you could easily be paying more for [insurance](#) each year than the car is worth. In addition, if it's totaled, you'll get back the car's dismal current market value, not the new replacement cost. Do the math. Consider dropping all but coverage that protects you from the cost of damage to others and medical coverage you can't do without for yourself and your passengers.
- **Bundle policies.** If you use different companies for your homeowners or renters insurance and [car insurance](#), you're likely paying too much. Combining your policies often will save you at least a few percentage points.
- **Use a tracking device.** Progressive has a program that uses a tiny, wireless tracking device to monitor mileage and driving habits. Careful drivers in certain states who meet specific criteria will automatically receive a discount with the company.
- **Pay bills on time.** Many insurance companies consider a driver's [credit score](#) when determining rates, so achieve (and maintain) good credit by paying all of your bills in a timely manner and you'll likely qualify for a better insurance rate.
- **Ask about discounts.** Speak with your agent to determine if you qualify for other incentives, such as good driver discounts and discounts for teenagers who meet certain academic requirements.

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