

# Tips for Shopping Auto Insurance

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## SUMMARY KEYWORDS

auto insurance, premium, insurance carrier, wil, insurance, pay, auto insurance rates, bundle, year, deductible, terms, rate, tip number, tips, coverage, agent, few extra tips, save, shopping, recommendation

## SPEAKERS

Wil, Liz, Terri



Terri 00:06

Today's tip is on shopping auto insurance, admittedly not the most riveting topic, but how interested are you if it saves you four to \$500 a year. Now that I have your attention, stay tuned. I'm Terri with today's money tip from the Making Money Personal podcast. The average shopping period for auto insurance is three to five years. If you're overspending on this item you're possibly wasting \$1,500 to \$2,500. Over the course of that time, that's a lot of money for a quick 30 to 45 minute discussion with an auto insurance agent. Here's some tips on how to shop to save. Number one, ask friends and family for recommendations. Who do they use? What are some reputable companies, and then do some research online to look up the companies for the reviews. Number two, learn some lingo. Again, the Internet is a wonderful resource to find out how to reduce your auto insurance rates, here are some common terms that an agent will possibly mention to you. Something like premium. Premium is the monthly charge or rate that you pay. Deductible is the amount you're willing to pay in the event that you have an accident. It's your portion that you pay against the claim. Once the deductible is satisfied, the insurance company will begin their assessment of the claim. And here's a special note. The higher the deductible, the lower the premium. If your deductible is \$500 per accident, your premium may be \$200 a month. Whereas if you raise your deductible to \$1,000 per accident, your premium will be about \$100 a month. Now, those are just examples, but that's something to think about. The only time that you have to pay a premium is if you make a claim with your insurance carrier. Here's another term, Bodily injury, Collision and Comprehensive.

These are all coverage amounts per accident. Make sure that you use the same coverage amounts when shopping rates with all the insurance carriers. That way you're comparing apples to apples. For additional terms, check out your current policy and review the terms that confuse you. If you don't understand after reading the policy, Google the terms or ask your agent to give you some explanation. Here's tip number three, auto insurance coverage is standard, but you can be flexible in the coverage amounts offered in each policy. Discuss this aspect with your auto insurance agent. When I last shopped my auto insurance, which was just about three months ago, I saved \$400 for the year. There were coverages that I didn't understand, and I asked the questions until I had a better understanding. The agents who are willing to take the time to explain things to you are the ones that you want to do business with. Never do business with someone who makes you feel stupid about asking a question. Tip number four: Bundle. This concept is pretty cool, because when you think about it in real estate, you hear location, location, location, but for insurance, it's bundle, bundle, bundle. Bundling is when you use the same insurance company for different insurance needs. For example, when you insure your house through a homeowner's insurance policy, and then you combine that or you bundle it with your auto insurance or for and it could be any type of vehicle, it could be camper, utility trailer, motorcycle boat or whatever, then you typically would get a discount on your insurance products and that gives you a better deal overall. Tip number five, get at least three quotes. And these are free. I know it seems like you might be thinking it's gonna take a lot of time, but it's worth it. And then you can always use online rate services. But just remember that when you go online and you put in your information, then you're going to get every Tom, Dick and Harry calling you. And that can be a little bit of a bother. So when I want to shop a rate, I actually call the insurance carrier, I initiate that call. Tip number six, instead of paying insurance monthly, try to pay multiple months of premium if you can. For example, you will save money if you pay six months of premium at one time. Or if you pay the whole amount just once for the year. The cost of billing is expensive for the carrier. So if they only have to bill you once or twice a year, they pass that savings on to you in the form of a lower premium or rate. Will and Liz What do you guys think? Do you have any questions or additional tips you want to share?

W

Wil 04:24

Those are actually pretty great. Especially I can relate to the one where you pay, like the last one that you just did where you pay once a year or every six months or so. I personally do that and it definitely does save you a bunch of money.

T

Terri 04:39

Right? And the thing about that Wil too is that you can still budget for that right? So if you

know that insurance is due whether it's due in 6 months or 12 months, so you can still take whatever your overall premium is going to be and then just divide that by you know, whatever period of time, right? Yeah, exactly.

**W** Wil 05:02  
That's awesome.

**T** Terri 05:03  
Yep.

**L** Liz 05:03  
Yeah, that's a good one, I do the same thing. That's the one that I do too, pay the full year amount so that way I know it's covered and you get the discount. So that's a good one. The other one I like is bundle. That's something that I don't I don't always think about when I'm thinking of insurance. Because for me, like insurances are different. So I don't think that I can really combine them. But bundling is something that I really should probably pay more attention to and I think other people should too, because it really can save you a lot of money.

**T** Terri 05:30  
Absolutely.

**W** Wil 05:31  
That's a great point. Yeah.

**T** Terri 05:33  
And I have to say, a big shout out to Wil, because when I started this process, and it did take a little bit of time, I'm not gonna lie, I asked a few people around the office, and of course, Wil is my office, he's not my office-mate in the sense that we share an office but we do sit side by side. And so, you know, he's my go to I just asked him who he used and he told me, who he used and ultimately, that's who I ended up going with. So, um, thank you Wil, for the recommendation.



Wil 06:08

You're welcome.



Terri 06:11

Do you have any additional tips on how to save money on auto insurance rates that we didn't mention? Look for Triangle on Facebook, Instagram and LinkedIn, and let us know what you think. There may be somebody else out there who could use a few extra tips. Thanks for listening to today's money tip and be sure to check out our other tips and episodes on the Making Money Personal podcast. Have a great day.