

# Cut Insurance Costs Without Cutting Coverage

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Recently I heard a news story advising consumers they could lower their automobile insurance costs 40% by increasing their deductibles to \$2,500. Beware of this type of advice. First, the 40% credit would only be applied to the comprehensive and collision premiums on your policy, not the entire insurance cost. Second, if you need to save \$100-200 a year on the insurance, can you really afford to pay \$2,500 if there is a loss? Don't save pennies now to spend hundreds later. There are other ways to lower your insurance costs.

Understand your coverage and find out how to lower your overall insurance costs by meeting with your agent. Know answers and ask questions. Since the policy was put in place, has the usage of the vehicle changed? Was an alarm installed at home? Is a driver still listed on the policy no longer in the household? Did your teen driver become eligible for a good student discount? Have you made updates to your home? Make sure that you are obtaining the best rate and maximizing all of the discounts available on the policy.

Invest 30-60 minutes with your agent to go over what has changed since the policy was originally put in place. If your agent is not willing to invest the time, find a new agent.

Review your coverage at least annually. Ask your agent what discounts the company offers. Companies are offering discounts for things such as being a non-smoker, occupation, alarm systems, or having taken defensive driving classes. If you have an older home and have updated it for plumbing, heating, electrical, and roof, credits for the renovations might be added to the policy.

Ask about different payment options as an electronic funds transfer payment could earn up to 20% off your premium. Ask if there is a discount for paying in full each year, and you avoid installment fees. Some companies offer discounts if you allow them to email your policy documents and invoices to you. On your automobile policy, most companies use your credit score in determining the rate. If your credit score has improved since the policy was put in place, you may ask the company to re-pull the report to see if that would lower your insurance costs. There might be multi-policy discounts for having a motorcycle, boat, or recreational vehicle insured with the same company.

The best way to save money is to put all of your coverage with the same agent/insurance company. The discount on the homeowners and automobile insurance could be as much as 25% of each policy's premium. Not taking advantage of every available discount is the biggest mistake consumers make.

*Nancy A. Nicklow, the youngest of Ray Huff's children, started working in the agency during summer vacations when she was 14 years old. She joined the agency full time in 1994, served as president of the Independent Insurance Agents Association of Maryland in 2004, and is honored to be able to continue her father's legacy. Contact her at her Pasadena office at 410/647-1111.*