

The Ultimate Guide to Cutting Car Insurance Costs



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Wednesday, April 26, 2023

Car insurance is an unavoidable expense for car owners, and with the rising cost of consumer goods and services, the cost of car insurance has also gone up. According to the U.S. Bureau of Labor Statistics' Consumer Price Index, the index for motor vehicle insurance has increased by 15% since March 2022. But there are still ways to save on car insurance. In this blog post, we will discuss six ways to save on car insurance.



Payment discounts

Payment discounts are based on how you pay your bill. For example, you can save between 6% and 14% on average by opting to pay your car insurance premium in full for six or 12 months. You may also be eligible for an AutoPay discount by allowing your car insurance payment to be automatically deducted from your bank account. Going paperless and receiving billing statements and policy documents via email rather than mail can also save you about 3% on average.

Driver profile discounts

Car insurance companies also offer discounts based on the driver's profile. Military personnel, for instance, can benefit from a military discount. Good student discounts are also available to students who maintain a "B" grade average or higher. Discounts typically range between 8% and 25%. Senior drivers who are 55 or older may also be eligible for a discount. Finally, organizational affiliation discounts are available to policyholders affiliated with specific organizations, such as professional associations, employers, and alumni associations.

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Policy-based discounts

Most car insurance companies offer discounts for bundling different types of insurance policies, such as home and auto insurance. This bundling discount can save you an average of 14%. Additionally, some insurers provide a multi-vehicle discount for insuring multiple vehicles. This discount typically ranges from 8% to 25%. Loyalty discounts are also available for customers who stay with the same insurance provider for a set amount of time. However, it's essential to shop around periodically to ensure that you're getting the best rate.

Driving behavior discounts

Car insurance companies evaluate the driver's behavior behind the wheel. A good driver discount is offered to policyholders who maintain a clean driving record with no accidents or moving violations. An accident-free discount is also available to policyholders who have gone a certain period without filing an accident claim. Some car insurance companies also offer usage-based insurance discounts, which use mobile apps or other systems to monitor the driver's driving habits, including speed, braking, and distance driving.

Review your coverage

Reviewing your car insurance coverage can help you save money. You may be able to lower your premium by reducing your coverage to match your car's value. For example, if your car is worth \$3,000, it may not be worth paying for comprehensive and collision coverage, which can be expensive. Additionally, you can check for duplicate coverage, which can occur if you have both comprehensive and collision coverage.

Increase your deductible

By increasing your deductible, you could see significant savings on your car insurance bill. This means you'll pay a higher out-of-pocket cost before your insurance kicks in, but the reduction in premium costs could be worth it. Just be sure you're financially prepared to cover the deductible if you ever need to file a claim. Remember, a little planning now could save you a lot later on.