

Introduction

Actions have consequences, and bad decisions behind the wheel can cost you when it's time to renew your car insurance policy.

Credit: <http://blog.ny.aaa.com/carandtravel/5-bad-decisions-car-insurance/>

Lending a car to a friend

Nobody would fault you for lending your pickup truck to a friend who is moving, but know that you are also lending that person your car insurance. If he or she causes a crash, you would have to file a claim, pay a deductible and your rates might go up. If your friend is uninsured and causes a very serious crash, you could even be sued.

Filing too many claims

A car crash is one thing, but filing a bunch of claims for tiny dings and dents will only put you on your insurance company's radar for the wrong reasons. Serial claimants could see a rate increase. When you consider that, on top of the price of your deductible, it might make more sense to pay for an \$800 bumper repair out of pocket.

Texting while driving

This dangerous driving behavior is a big deal to insurance companies. "Insurance carriers today take distracted driving very seriously, and, in some cases, cellphone infractions on a driving record could make the account ineligible for renewal," said Chris Wukovits, agency manager for AAA New York Insurance Services, Inc.

Not having enough insurance

Buying the minimum amount of insurance required in your state might seem like a good idea at the time, but it could come back to bite you. For instance, if you cause a serious car crash with damages that exceed the limits in your policy, you could wind up paying for the remainder out of pocket. If you don't have the money, your assets would then be at risk.

Not mentioning a new driver:

If your teenage son or daughter is now driving the family car, tell your insurance agent. If you don't, and your child causes an accident, you could have benefits denied and your policy could even be canceled. When it comes to insurance, honesty is the best policy, and good things happen when you make good decisions.

Excessive Speeding Tickets

Speeding tickets place points on your license and will result in higher insurance rates.

Driving Under the Influence

Driving while intoxicated on alcohol or other driving impairment substance.

10 ways to save on auto insurance costs

1. Take a DIP Class

Sharpen your driving skills with a six-hour Driver Improvement Program class from AAA. Those who complete the course can save up to 10 percent on collision, liability and no-fault insurance (plus, drivers can reduce up to four points on their driver's license).

2. Pay Your Premium in Full

Many insurers offer huge incentives for policyholders to pay off their premium in one shot, rather than installments. If you're wondering just how much you can save, Wukovits said he's seen policyholders save hundreds of dollars per year this way.

3. Pay Higher Deductibles

Your deductible is what you pay before your policy kicks in. And while it might sting to ante up \$1,000 for a claim, having higher deductibles can substantially lower the cost of your premium. Just make sure you can swing the payment before you make the change.

4. Combine Home & Auto

Do business with the same insurer for both your home and auto coverage and you could save a pretty penny. Most companies—including all of AAA's insurance partners—offer substantial multi-policy discounts! Get a quote.

5. Avoid Filing Small Claims

While it's good to get your money's worth, filing a large number of claims, no matter how small, can hurt you when it comes time to renew your policy. Your insurer could decide to raise your rates, or choose not to renew you at all.

6. Maintain a Good Credit Score

It might not seem fair, but your credit score is a factor in how much you pay for auto insurance. That's because, according to the Insurance Information Institute, research indicates those with better credit scores typically file fewer claims.

7. Ask About Group Discounts

Some companies offer lower rates for those who belong to groups such as AAA. For instance, AAA partner MAPFRE offers savings on both auto and home insurance to AAA members in many states. For instance, AAA partner MAPFRE offers savings on auto insurance to AAA members in many states. "Smart shoppers" who plan ahead and buy their policy early often receive lower rates too.

10 ways to save on auto insurance costs (cont)

8. Have Your Kids Take Driver's Ed

Any parent of a teen driver knows how expensive it is to insure one. Many companies offer sizable savings for teens who complete driver's education courses—but know that many do not let you combine driver's education and defensive driving discounts.

9. Protect Your Car From Thieves

Auto theft is declining in New York (as it is throughout the U.S.) yet insurers still offer discounts for automobiles equipped with anti-theft systems. In New York City, drivers can also register with the NYPD's Combat Auto Theft program to save money.

10. Shop Around for the Best Deals

AAA's insurance agents provide annual policy reviews for clients, free of charge, Wukovits said. If your price goes up, they will help you look for a provider offering a lower rate—saving you money and bringing you even more peace of mind.

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