

How to get better auto insurance coverage for less money

By Molly Castelazo for MoneySolution.com

It's said that as long as you have insurance, you won't need it. But the reverse is also true: think for a second that you don't need auto insurance and WHAM! you cause a four-car pile-up. Auto insurance is one of those expenses in your budget that can feel really useless because – hopefully – you won't ever use it. But alas, you need it anyway for that day when you get up on the wrong side of the bed and end up in a car wreck.

Things you can do to lower your car insurance rates

The average American spends about \$70 per month on auto insurance. (If you pay \$200 and are thinking, "Wait a minute!" remember that the average includes all of us drivers, perfect and non-perfect, old and young, male and female, married and single.) That brings me to my first point: there are some things about you that will affect your car insurance rate that you can't do anything to change, including your age and your gender. But there are also a wide variety of things about you that will affect your car insurance rate that you can change! Read on, or [click here](#) to see how much money you can save!

Take advantage of all available discounts

You can't speed up father time, changing genders is complicated and expensive, and I don't advocate getting married to get lower car insurance rates, but there are plenty of things you *can* do – relatively easily – to lower your monthly car insurance payments, often significantly. First, make sure that you are getting all the discounts you're eligible for. You could be eligible for a discount if you:

- Have recently taken a defensive driving class
- Get good grades in school (for students of all ages)
- Are a member of certain clubs or associations (like AAA, AARP, or alumni associations)
- Park your car in a garage (rather than on the street or in your driveway)
- Don't drive many miles per year (even better if you only use your vehicle for recreational purposes rather than driving to and from school or work)
- Have more than one vehicle insured with the same company (even better if you also have other types of insurance, like homeowners, with the same company)
- Drive a vehicle that's equipped with safety features such as anti-lock brakes, air bags, automatic seat belts, daytime running lights, or one that scored well on crash tests
- Equip your car with anti-theft features like an alarm, VIN etching, or a vehicle tracking system
- Are a good driver! Cleaning up your driving record is the surest way to save money on auto insurance.

To check out the different auto insurance companies, get some quotes, and see how much you can save by taking advantage of discounts, [click here](#).

Another easy way to save money on your car insurance is to learn about what types of coverage are available and what kinds are best for you, as well as the coverage that you are *required* to have. Read on. . .

Types of auto insurance coverage

Liability coverage

Liability coverage is the kind of coverage that protects other people and their cars if the wreck is your fault. It includes bodily injury liability and property damage liability. Bodily injury liability covers payments made relating to the bodily injuries of other people involved in the accident (not in your car). Property damage liability covers payments made relating to the damage done to the other cars in the accident.

The most common liability coverage amounts are \$300,000/\$100,000 for bodily injury liability and about \$50,000 for property damage liability. That means that if you cause a wreck, your insurance will cover up to \$300,000 for all injuries related to the accident and up to \$100,000 per person (not including you and your passengers) and up to \$50,000 for all property damage related to the accident.

Each state has a minimum requirement for liability coverage, likely far less than \$300,000/\$100,000/\$50,000. If you don't have enough coverage to cover the cost of injuries or property damage in the accident, you could be sued to cover the remaining payments. If you have a lot of assets – a home, retirement funds, a paid-off car – you could stand to lose all of that in the suit. It's best to have enough liability insurance to cover all of your assets.

Your monthly insurance premium will vary according to the amount of coverage you have. The higher your coverage, the more expensive your premium. To keep your premiums low, maintain the lowest amount of coverage that you need to cover all of your assets and stay within your state's coverage requirements.

Collision coverage

Besides personal injury and property damage liability, all other types of insurance coverage are voluntary. They will increase your premium, but it may be well worth the extra expense, saving you money in the event of an accident.

Collision coverage covers your car in the event of an accident. Coverage is based on current market value of your vehicle, so if your car is an old clunker, collision coverage may not be worth the expense.

Comprehensive coverage

Comprehensive coverage is very similar to collision coverage, but it covers damage to your vehicle that is not caused by an accident. This is where falling trees, tornadoes, and earthquakes would be covered, as well as theft. Again, if your car is an old clunker, comprehensive coverage may not be worth the expense.

Personal injury protection

Personal injury protection covers bodily injuries much like bodily injury liability coverage does, but it covers you and your passengers, regardless of who was at fault in the accident. This type of coverage is the only way that you'll have your medical expenses covered by your car insurance if you caused the accident. If you didn't cause the accident, your medical expenses will most likely be covered by the liability insurance of the driver at fault, or by your uninsured/underinsured motorist protection (read on. . .)

Uninsured/underinsured motorist protection

Yes, liability insurance is the law. But some people are bound to be rebels and drive without it. If you got into an accident with one of those rebels, and it was his fault, your uninsured/underinsured motorist protection would cover payments for your bodily injury and/or property damage.

Extras

Auto insurance companies offer a variety of extra insurance coverage types that you can purchase. Some can be worth the extra expense, depending on your situation. Commonly offered extras included rental car reimbursement, towing and other roadside service, and no-cost windshield replacement.

Deciding what kind of coverage you need is an important part of getting the best insurance coverage for the least money. As I mentioned, if your car is an old clunker you could probably afford to skimp on the collision and comprehensive coverage.

And unless you frequently run out of gas or break down in the middle of nowhere, are vehemently opposed to hitching rides with friends or walking, and are in the habit of driving behind rock-spitting semi-trucks, then roadside services, rental car reimbursement, and no-cost windshield replacement may not be worth the extra money.

But *you*, dear reader, can be expensive to fix. Think long and hard before you consider skimping on personal injury and uninsured/underinsured motorist protections. To find an auto insurance company that can help you figure out how much coverage is right for you, [click here](#).

Choosing your deductible

Most auto insurance policies come with deductibles of \$500 or \$1,000. Which you choose can have a big impact on your monthly auto insurance payment. But before you rush to set your deductible as high as it'll go, think about having to pay that deductible in the event that something happens to your car. The best rule of thumb: Set your deductible at the highest amount you could afford to pay out if you had to.

Finally, shop around

In addition to taking advantages of all the discounts you qualify for, maintaining an accident-free, ticket-free driving record, and having the right amount of coverage and the right deductible, there's one more thing you can do that may lower your car insurance payment: shop around. Whether you're buying a computer or a car, life insurance or auto insurance, shopping around is the quickest road to a good deal. We've included some links below to help you do just that. Click on any of the links and you'll be able to get a car insurance quote in just a few minutes.

SAMPLE