

# Secret Savings On Your Insurance

**Your Insurance  
with Cathy Karas.**

Hi Readers! Boats are coming out of the water for the season and with the extra time you may have, now is a good opportunity for you to review your insurance policies for coverage and cost. I have often stated in the past that coverage should be your number one consideration in the purchase of any insurance, but with so much competition, cost should be a concern as well. It is possible that the exact same coverages offered by several insurers for a particular type of policy can vary drastically. How can this be? Since the nature of insurance is "spreading the risk" upon a certain "group" and pricing it according to the amount and number of claims versus what the company collected in premium for a particular time period, (let's say the previous year) each company may experience different results and charge different premiums for the next year based on those results. After Storm Sandy some companies drastically increased their homeowners and boat insurance rates in different parts of lower NY State, or imposed higher windstorm deductibles, others did not. Recently, some of our companies have taken substantial rate reductions. For example, Hartford Insurance Company has an AARP auto rate program for those ages 50 and over who have experienced rates up to half what they had been paying other insurers. The actuaries have found this age group has less claims, often do not drive to and from work and their annual mileage is less than other drivers that are younger, so since the amount collected in premium was substantially more than claims paid, they were able to reduce the rates.

The common ways of savings money on insurance have been beaten to death through various modes of advertising-change companies, increase your deductible, or "bundle" your insurance policies with the same company to get the cross policy discounts, to name a few. But, here are some others to consider that can apply:

**YOUR CREDIT SCORE** - What does this have to do with insurance? We are asked this question often at our agency. The actuaries that determine insurance rates have found that those with better credit scores have less claims, therefore are more prudent and take care of what they own. Also, bills are often paid in full or on time, eliminating for the insurance company having to send installment and second notices or cancellations for these policy holders. Billing is a large cost for insurers. It is a good idea to periodically check with one of the companies that can run your credit score, like Equifax or Transunion, to make sure there is nothing on there that doesn't belong that could be bringing your score down. Having a good credit score can mean your policy premium is the lowest the company offers, if you also do not have claims, a negative driving history or some other negative factor to consider, depending on he type of policy it is.

**AUTO INSURANCE** - Discounts offered vary from company to company, but do you have a student in your household? Students over 100 miles from home without a car with them, and a good student discount for those at home or away can apply. The 6 hour defensive driving course can reduce your cost about 10% for 3 years if all drivers take the class, which is even given online or in a classroom setting. Air bags, daytime running lights, alarms, vin etching and lojack are other discounts that can apply. Progressive and Safeco both offer a discount for a device you install in your car that monitors how fast and far you drive. Also check to make sure the driver assignment to the car you drive is correct as well as the annual mileages and driving distances to work. If you commute you should be entitled to a "pleasure use" rate.

**HOMEOWNERS INSURANCE** - Again, discounts from company to company can vary but some common ones are

alarms for burglar and fire, automatic sprinkler systems, retirees, newer home (usually built within 20 years of policy inception), and recent updates to heating, electrical, plumbing systems as well as roof replacement can qualify for a better rating tier within the same company, or if you change to a different company. Increasing your deductible to \$1,000, \$2,500 or \$5,000 can often be a considerable savings. Since many companies include theft insurance for your personal property while it is at home and also off your residence premises, you can sometimes delete the off premises theft coverage for a credit. Particularly if you have a higher deductible it would make sense to do this if you do not ordinarily have alot of your personal property

with you when you are not home. Since there are limitations for higher valued items such as jewelry, art, cameras, collectibles and other items such as these they can be "scheduled" or sometimes "blanketed" on your policy for an additional cost to insure them correctly to their values and then there is no deductible and the items are insured on an off premises. All other personal property theft claims would be subject to your deductible.

**BOAT INSURANCE** - Have your taken the Coast Guard or another boating safety class? This may be an available discount as well as having your Captain's license. Your boat's features may include GPS, automatic fire suppression of some type, depth finder or ship to shore radio. Some policies have a lay up period during which time your boat must be out of the water and also a navigation area that limits where you operate your boat. Adjusting these parameters could turn out to be a savings.

**UNBUNDLING** - While it is true most companies will give you discounts for having multiple policies, often separating the policies to different companies may be beneficial. This will depend on the many rating factors taken into consideration with your auto, home, boat, motorcycle or umbrella insurance. Many of the customers in our agency have different companies for different types of policies and then there are some that have the same company for everything. The bottom line is each person is unique

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