

Shopping for Auto Insurance



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October 2008

Whether you're a first time buyer of auto insurance or already have it but are looking for a better deal, you should be asking several questions.

First, is the person from whom you're buying (your agent) a visible, established member of your community — someone you know and trust? Second, is the company from whom you're buying well known? What is its reputation? What about price? Because there are hundreds of companies competing for your business, prices vary — sometimes a lot. It may pay you to shop. Be sure the premiums you're quoted are for equal amounts of coverage. How about service? Price is important but saving money won't mean much unless you get the service you need — when you need it. If possible, ask other clients of your prospective agent how they've been treated, especially when they've had a claim. Find out how the company handles claims. Is the method convenient for you, no mailer where you have an accident? How about solvency? Is the company you're considering still going to be in business when you file your claim? Your state department of insurance has financial rating

information on all of the companies that do business in its state.

Once you've decided on a company and an agent there are more questions to ask. How much coverage do you need? The required minimum amounts of liability coverage may not be enough for you. Consider your needs in light of your assets and income. How much can you afford to pay if there's a big judgment against you because of an accident? What about deductibles? Deductibles lower your premiums — most commonly for collision and comprehensive coverages — but increase the amount of loss that comes out of your pocket. How much additional risk are you willing to take in order to save? Should you carry collision and comprehensive coverage? As your car's value decreases, you might consider dropping these coverages and pocketing the savings on premiums. But consider if the savings are enough to offset the risk of footing the entire cost of repairing or replacing your car. Auto insurance is not a generic commodity. It is a product that should be tailored to each individual. Your agent can help you answer these questions and help you tailor your auto insurance to your specific and unique needs.



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