

## TIPS YOU CAN USE

### PURSUE THOSE AUTO INSURANCE DISCOUNTS

There is a very good chance that you may be paying too much for your personal automobile insurance. This is particularly true if you are unaware of the numerous available discounts. The following are discounts you should inquire about. Some may not be available in all states and from all insurers, but it doesn't hurt to ask. These discounts may significantly affect your insurance premium.

- "Defensive Driving Discount." This discount can save you 10 percent on most of the major coverages under your auto policy, such as liability, medical payments, and collision coverage. Defensive driving courses can cost as little as \$20 and last as few as 5 or 6 hours. However, the discount normally applies for 3 years. For example, if your auto insurance premium is \$100 per month, the premium is \$3,600 for 3 years. If liability, collision, and medical payments or personal injury protection coverage constitute 85 percent of this \$3,600 premium, the resulting premium subject to this discount is \$3,060. In this scenario, the actual premium savings would be \$306 (10 percent of \$3,060) for that 3-year period. To get the true savings, you must deduct the cost of the defensive driving class. If the cost is \$26 the savings in this example would be reduced to \$280. If you spend 6 hours taking the class, you are earning \$47 per hour in savings -- not an unproductive way to spend a Saturday!
- "Good Student Discount." Statistics show that good students tend to be more reliable and mature than students with marginal grades, leading to better driving decisions. Therefore, many states allow a 5 to 10 percent discount if your student driver makes good grades, usually an overall "A" or "B" average in high school or college. If your child has to pay his or her own automobile insurance, this will be another motivator for him or her to make good grades.
- "Home/Car Discount." Many insurers offer discounts of 10 percent or more if they provide both your homeowners and personal automobile insurance. This can lower your costs on both policies.
- "Auto Safety Features." Most insurers recognize that owners with cars containing safety features may have fewer accidents and reduced injuries. Many insurers encourage drivers to purchase cars with antilock brakes by giving small discounts for these safety features. Other insurers give discounts for vehicles with airbags and daytime running lights.