

Some Auto Insurance Premium Reduction Ideas for New Drivers

At Guaraldi Agency, we want to provide you with the best insurance coverage to meet your needs while also providing you with an understanding on how to reduce your insurance costs. While we always will want a new driver to be properly insured here are some ideas that can mesh with not only proper coverage but also reduced costs.

1. Compare Insurance Costs

Before you buy a new or used car, check with us to gain some insight into the insurance cost for your new car. Car insurance premiums are based in part on the car's sticker price, the cost to repair it, its overall safety record and the likelihood of theft. We also offer discounts for features that reduce the risk of injuries or theft. These include daytime running lights and anti-theft devices. To help you decide what car to buy from a safety and insurance cost perspective give us a call.

2. Review the Deductible Level

Deductibles are what you pay before your insurance policy kicks in. By requesting higher deductibles, you can lower your costs substantially. For example, increasing your deductible from \$200 to \$500 could reduce your collision and comprehensive coverage cost by 10's of percent. Going to a \$1,000 deductible can save you a nice percentage of perhaps up to 40% on your collision and comprehensive insurance. We do not advise you to simply raise your deductible. Before choosing a higher deductible it is wise to set aside some money to pay for the deductible if you have a claim. We realize that to set aside some money for a deductible may be difficult for new drivers but if you have a savings plan that you contribute to then you can put the savings into this savings plans and it will help you to save money as well.

3. Reduce Coverage on Older Cars

Many new drivers also drive older cars. You can consider lowering the collision and/or comprehensive coverage on older cars. If your car is worth less than 10 times the premium, purchasing the coverage may not be cost effective. Auto dealers and banks can tell you the worth of cars. You can also look it up online at Kelley's Blue Book (<http://www.kbb.com>). In addition, we will be happy to review your coverage with you if you have any questions about this.

An annual review is often a good idea to make sure your insurance needs haven't changed.

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4. Combine Insurance Policies with the Same Insurer

Many insurers will give you a break if you buy two or more types of insurance. Guaraldi Agency can provide you with many types of insurance coverage. We can insure your car and other items as well. Talk with us if you have more than one kind of insurance and to combine them together a Guaraldi Agency may help to save you some money.

5. Maintain a Good Credit Record

Many new drivers do not have a substantial credit history. However, we want you to realize that good credit can result in lower rates. Establishing a solid credit history can cut your insurance costs. Insurers are increasingly using credit information to price auto insurance policies. To protect your credit standing, pay your bills on time, don't obtain more credit than you need and keep your credit balances as low as possible. Check your credit record on a regular basis and have any errors corrected promptly so that your record remains accurate.

6. Take Advantage of Low Mileage Discounts

If you are a new driver and do not do a significant amount of driving, then we may be able to offer you a discounts. This is an item worthy of review. If you feel you drive less than the average number of miles a year compared to your peers, then let us know about it. Related to this may be a discount if you car-pool to your place of employment or to school. Let us know about your situation and we may be able to help with an insurance premium discount.

7. Leverage Your Good Grades

A new driver that is still in school can also receive a discount if they maintain good grades in school. Statistic shows that good students also tend to be more aware of their driving situation and do not allow distractions to interfere with their driving. The results for students with good grades are fewer claims and this translates into lower rates.

8. Complete a Defensive Driving Course

You may also get a discount if you take a defensive driving course. This is certainly something to consider for any new driver.

In summary, if you are a new driver and concerned about the insurance premium then give Guaraldi Agency a call to review how you may be able to save money by taking advantage of any of these items. We will be happy to review your specific situation with you.