



## Division of Insurance

### TIPS FOR SAVING MONEY ON AUTOMOBILE INSURANCE PREMIUMS

If you own an automobile in Colorado the law requires you purchase auto insurance. You are required to carry liability insurance to provide financial protection in the event you injure someone else or damage someone else's property while operating your automobile. Colorado law requires liability coverage limits of at least \$25,000 per person bodily injury, \$50,000 bodily injury per accident and \$15,000 in property damage. You may purchase higher coverage limits. An insurance company is also required to include uninsured/underinsured motorists' coverage and medical payments coverage on you policy unless you choose to reject such coverage. Optional coverage includes comprehensive, collision, uninsured motorists' property damage (only if you don't purchase collision), towing, and rental car coverage.

You might save money on your automobile insurance premiums if you follow these steps:

#### Coverage

- **Comparison shop:** Colorado has a vibrant automobile insurance market with numerous insurers competing for your business. When shopping for insurance be sure to compare similar coverage and available options. Also, be sure to review the financial condition of the insurance company and its customer service record.
- **Find out the cost to insure the car – before you purchase it:** Certain vehicles cost more to repair or may cause more damage to another vehicle if involved in an accident. If you finance the vehicle you will need to purchase physical damage coverage as a condition of the loan. Check the cost of insurance before making that big purchase.
- **Consider your level of deductibles:** You may reduce your policy premium by increasing your comprehensive and/or collision deductibles. The deductible is the amount of money you need to pay before the insurance company pays for a loss. Be sure whatever deductible amount you choose you are able to cover that amount. You may have to pay the deductible whether you are at fault or not at fault in an accident.
- **Consider your coverage:** Eliminating or lowering your physical damage coverage on older vehicles may lower your premium. If you have a loan on the car, your lender will require you maintain certain levels of physical damage coverage.

- **Ask about available discounts:** The following are discounts most insurance companies offer and may be available to you.
  - Multiple car discounts – two or more cars insured with the same company
  - Multiple policy discounts – two or more types of policies with the same company (for example: auto and home, auto and life, auto, home and umbrella)
  - Anti-theft devices
  - Air bags or other safety equipment
  - Participation in driver’s education courses including a 55 Alive program
  - Good student discounts

### **Driving Habits and History**

- **Drive responsibly:** Accidents in which you are at-fault and motor vehicle convictions are factors that typically result in higher insurance premiums.
- **Low mileage:** The fewer miles you drive the less chance you have of getting into an accident. Most insurance companies’ premiums vary by daily and annual mileage driven.

**Complete and accurate information:** If you provide false or misleading information to the insurance company, the company may cancel your policy or increase your premium based on the actual information.

### **When you Purchase your Policy:**

- **Make sure the policy is correct:** Review the policy information, such as address, vehicle use, requested coverage amounts, etc. and make sure everything is accurate. If there are any inaccuracies, be sure to address them with your agent or company as soon as possible.
- **Conduct an annual (or bi-annual) check-up:** Keep you policy information updated. Various factors may affect your premium. Keep your address updated, notify your agent or company if your teenager receives his/her drivers’ license and confirm mileage driven.

### **Other Resources:**

The Colorado Division of Insurance has several resources available to consumers to help navigate the insurance choices. Automobile premium comparisons are published annually and, although not every scenario is available, it provides a base to begin your shopping. The Division publishes the Consumer’s Guide to Auto Insurance which provides more in-depth information. The Division also posts an Insurance Industry Statistical Report and annual Complaint Ratio/Index on its website. Both of these reports will provide information about the company market share and the number of complaints the Division’s received.

If you have any questions and would like to speak to a complaint analyst please contact the Division of Insurance at 303-894-7490 or 1-800-930-3745, or go to [www.dora.state.co.us/insurance](http://www.dora.state.co.us/insurance).