

PERSONAL CAPITAL

16 Quick Ways to Save Money on Your Car Insurance Right Now

Megan Nye

People often ask me how they can find more money to achieve their financial goals.

They want to enhance their investment portfolios, increase their retirement funds, or bolster their trusts. And they're looking to locate more than just a few dollars here and there.

Insurance premiums are a perfect place to secure significant savings and funnel that extra cash into your own accounts.

Many people believe that securing a low auto insurance rate requires a lot of waiting. Waiting for your old accidents and violations to fall off your insurer's RADAR. Waiting for the impact of that problem on your credit report to diminish.

But what if you didn't have to wait?

What if there were something you could do right now – in a matter of minutes – that could lower your car insurance rates? Something that could free up your cash for saving, for growth, and for building your legacy?

Today we have not just one but 16 super-quick ways you can chip away at your annual premium without breaking a sweat or playing the waiting game.

1. Tell your insurance company about your awesome car.

Does your car have antilock brakes? VIN etching? A built-in alarm? There's a discount for that.

Check in with your insurance company to get a complete listing of which vehicle features diminish your premium. (Some insurers – [like Allstate](#) – provide a list directly on their websites.) Then review your policy declaration document to confirm that you're receiving each discount for which your car qualifies.

Repeat as needed if your policy covers multiple cars.

2. Raise your deductibles.

If it's been a while since you've reviewed your deductibles, it's time to give them the once-over. [A recent report from CarInsurance.com](#) concludes that increasing your deductible from \$250 to \$500 can land you savings upward of 12%, and increasing to \$1000 can give you savings in excess of 23%!

Review the amount that your policy currently requires you to pay out of pocket for an insurance claim. You can contact your insurer to upgrade your deductibles across the board or just for a subset of coverages or vehicles.

3. Check that you're not over-insured.

Your state specifies minimum coverage limits that you have to buy. And paying for additional coverage beyond those thresholds is typically an excellent idea if you don't want to find yourself on the wrong end of an expensive lawsuit.

But are you overdoing it by paying for more coverage than you need? Assess your situation, [do your research](#), and channel your inner Goldilocks in choosing the coverage limits that are **just** right.

4. Eliminate duplicate coverages.

Do you have rental car coverage that you'll never use because you have a back-up car at home? Is your auto insurance duplicating part of your medical insurance coverage? Are you paying your insurer for services that your AAA membership already provides?

Ditch those redundant coverages stat, and pocket the premiums you were paying for them.

5. Re-evaluate your coverage selections.

Your car's getting older. And if you plan on hanging on to it, there will come a time when it's financially prudent to [drop certain coverages](#) – specifically your collision or comprehensive insurance.

In addition, give your coverages a good look if you're recently paid off a car loan. Your lender likely had some strong opinions regarding which coverages – and in what amounts – you had to have while your loan was in force. Once repayment is complete, you may find that the insurance you were required to carry previously is more than what you want to maintain going forward.

6. Revise your payment method.

Your insurance agent sleeps better at night when she knows that you won't be flaking on your premium payments. So the company is happy to offer you a discount for its peace of mind.

Pay your 6-month premium up front in its entirety and you could qualify for up to 10% back from your insurer. Or sign up for automatic payment withdrawal (ETF) from your bank to score an alternate discount.

7. Ditch the paper.

Paper bills and policy documents not only clutter your mailbox but tax you financially.

Explore your information delivery options on your insurer's website. The company may provide you with a discount if you opt to go paperless by receiving your policy documents electronically.

8. Check your credit report.

For many insurers, a bad credit score means [huge surcharges in your car premiums](#). While you can't improve your credit in just a few minutes, you **can** make sure that your insurer is working off the right information.

So [get your free credit report](#), and check closely for errors or fraud. If you do find misinformation, contact the reporting agency, and let your insurance company know about the discrepancy.

9. Review your driving record.

Your driving record – like your credit history – isn't something that you can clean up on the spot. But you can confirm the accuracy of the records that reach your insurer.

Keep in mind that most states allow insurers to consider accidents and violations [going back 5 full years](#), even if you're a new customer. Visit the website for your state's motor vehicle agency, and order a copy of your driving record for your review.

10. Check your driver assignments.

An insurance company typically assigns each vehicle a primary driver and tacks on secondary drivers only if you have more insured people than cars. And the driving sins of that primary operator [attach themselves to the car](#) in your insurer's mind.

So double-check the accuracy of your family's driver-to-vehicle assignments. Is your teen really driving your BMW or is she driving your old Taurus? Update this information whenever you modify your family's driving habits.

11. Update your usage.

Have you swapped out your car commute for public transportation? Switched up the vehicle that you take on those long drives down the coast? Decided to keep your car at your vacation home out of state?

Let your insurer know.

If the number of miles that you drive your car in a given year has decreased dramatically, your provider will likely credit you with savings for being on the road less. Likewise, garaging your vehicle in a rural area or in certain states will also diminish your costs.

12. Check with your club.

Are you a proud member of your alumni association? A card-carrying inductee into a professional organization?

Membership in some groups makes you eligible for savings with specific insurers. Read up on your club's literature to see if your insurer participates in its discount programs.

13. Got married? Share the news!

Congrats, newlywed! In addition to gaining a spouse, [you're now considered a lower risk](#) by most insurance companies!

After tying the knot, give your agent a ring or update your marital status online. You'll see a nice dip in your rates.

14. Advertise your education.

Got a great student on your policy? Or an advanced degree hanging on your wall?

Don't be modest! If your insurance company doesn't know, pass on the information. Many offer good student discounts and rate decreases for insureds with higher learning.

15. Update your student's status.

If you have a child off at college, check to see if you're eligible for a widely available discount like [State Farm's Student Away at School Discount](#). When your college kid uses the car only when he's home, you could score some significant savings on your insurance rate.

16. Sign up for a course.

Got in an accident? Have a teen driver who's about to join your policy and blow your premium out of the water?

Call your insurer to see which approved driving courses will earn you a discounted rate and what that discount will be. If the savings make the course worthwhile, sign up! You can attend an in-person event, take a self-paced class online, or participate in on-the-road training with a driving instructor.

Do you have a few minutes? Implement one – or two! – of these ideas for reducing your car insurance rates. Then continue to build your wealth with your well-earned, newfound savings.