

Examine your policy for savings on car insurance

We're taking a look at our regular expenses, and I think we might be paying too much for car insurance. What's the best way to find out?

Car insurance is one of those expenses that can range from reasonable to “whoa.” But it can take some legwork to determine if you're paying more than you need to.

An easy first step would be to find a website that offers a way to compare rates from different companies. One such site, NerdWallet.com, offers a comparison after you enter your ZIP code and basic information about your car. While the estimates provided are just that — estimates — the site offers a quick rate comparison. Your actual cost would vary depending on what type coverage you get, your driving history and other factors.

Like most states, Ohio requires drivers to get a minimum level of car insurance or otherwise prove financial responsibility. The Ohio Department of Insurance offers a Guide to Automobile Insurance online at www.insurance.ohio.gov. The guide offers in-depth information about car insurance, including the minimum coverage required in Ohio: \$25,000 per person and \$50,000 per accident for bodily injury, as well as \$25,000 per accident for property damage.

You should know that such bare-bones coverage would likely not cover expenses from a serious crash. Most experts recommend getting coverage of \$100,000 per person/\$300,000 per accident for bodily injury and \$100,000 for property damage, and getting uninsured motorist coverage, as well.

Unfortunately, a recent analysis by the Consumer Federation of America revealed



that it can be difficult for people with low or moderate incomes to find affordable basic coverage. The consumer organization found that in 87 percent of lower-income ZIP codes, the average premium from five major insurers for state-required auto insurance exceeded \$500 annually. In some areas, the average cost was more than \$2,000.

Another report indicates that loyalty doesn't always pay when it comes to car insurance. In its 2014 U.S. Insurance Shopping Study, J.D. Power found that customers who switched insurers averaged savings of \$300. Customers who had been with an insurer for 11 or more years saved an average of \$426 a year.

So, it could pay to shop around. Just be sure you're comparing apples with apples — that rates you are quoted offer the same coverage that you already have. But you also might consider a plan with a higher deductible. You'd pay more out-of-pocket in case of an accident, but you'd save money on premiums. That's a call only you can make.

For more guidance, the National Association of Insurance Commissioners offers car insurance shopping tips at www.naic.org/documents/consumer_alert_auto_tips.pdf, including types of discounts to inquire about, such as “good student” or “mature driver” savings.

Family Fundamentals is a monthly column on family issues. It is a service of the College of Food, Agricultural, and Environmental Sciences and its outreach and research arms, Ohio State University Extension and the Ohio Agricultural Research and Development Center. Send questions to *Family Fundamentals*, c/o Martha Filipic, 2021 Coffey Road, Columbus, OH 43210-1044, or filipic.3@osu.edu.



THE OHIO STATE UNIVERSITY
OHIO STATE UNIVERSITY
EXTENSION
OHIO AGRICULTURAL RESEARCH
AND DEVELOPMENT CENTER

**For the month of
October 2014**

By Martha Filipic
614-292-9833
filipic.3@osu.edu

Dear Subscriber: This column was reviewed by Betsy DeMatteo, family and consumer sciences educator for Ohio State University Extension.

College Communications
2021 Coffey Road
Columbus, OH 43210-1043
614-292-2011

208 Research Services
Building
1680 Madison Ave.
Wooster, OH 44691-4096
330-263-3780

Ohio State University Extension embraces human diversity and is committed to ensuring that all research and related educational programs are available to clientele on a nondiscriminatory basis without regard to age, ancestry, color, disability, gender identity or expression, genetic information, HIV/AIDS status, military status, national origin, race, religion, sex, sexual orientation, or veteran status. This statement is in accordance with United States Civil Rights Laws and the USDA. *Keith L. Smith, Associate Vice President for Agricultural Administration; Associate Dean, College of Food, Agricultural, and Environmental Sciences; Director, Ohio State University Extension; and Gist Chair in Extension Education and Leadership.* For Deaf and Hard of Hearing, please contact Ohio State University Extension using your preferred communication (e-mail, relay services, or video relay services). Phone 1-800-750-0750 between 8 a.m. and 5 p.m. EST Monday through Friday. Inform the operator to dial 614-292-6181.