

STATE OF COLORADO

DEPARTMENT OF REGULATORY AGENCIES

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DIVISION OF INSURANCE

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TIPS FOR SAVING MONEY ON AUTO PREMIUMS

If you own an automobile in Colorado you are required to purchase auto insurance. By law, 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. State law requires you to purchase liability coverage of at least \$25,000 per person, \$50,000 per accident, and \$15,000 in property damage. Coverage above this minimum may be purchased, as can coverage to protect against uninsured/underinsured motorists, and physical damage. Some auto insurers also offer medical coverage, known as med-pay coverage.

The following are suggestions of steps you can take to save money on auto insurance:

Shop for Coverage

- **Be sure to comparison shop.** Colorado has a vibrant auto insurance market with numerous insurers competing for your business. When shopping for insurance, be careful to compare similar coverages and options. Also, be sure to review the financial condition of the insurance company and its customer service record.
- **Consider your level of deductibles.** It's possible to reduce your premium by raising your deductible. Make sure that you will be able to afford the higher limits of your deductible if you are involved in an accident, whether you were at-fault in the accident or not.
- **Consider your coverage.** Eliminating or lowering physical damage coverage on older vehicles may lower your premium. But, if you have a loan on the vehicle, the lender may require certain levels of physical damage coverage.
- **Ask about available discounts.** Below are some discounts which may be available to you:
 - Two or more cars on a policy or with the same insurance carrier
 - Auto/home insurance with same carrier
 - Anti-theft devices and/or airbags or other safety equipment
 - Participation in a Driver's Ed Course, including the American Association of Retired Persons' 55 Alive program
 - "Good Student" status

Your Driving Habits and History

- **Drive responsibly.** Accidents in which you were at-fault, and tickets or citations, are major factors that contribute to higher premiums.
- **Low mileage.** The fewer miles you drive, the less chance you have of getting into an accident and consequently you may get lower premiums.
- **Provide complete and accurate information.** Premiums are, in part, set by the information you provide about what purposes you drive for, how often you drive (i.e. to work or to school), and how far you drive.
- **Before purchasing a car, consider what the insurance may cost you.** Having a vehicle that costs more to repair or causes more damage when involved in an accident will result in higher premiums. Models of cars that are stolen more often cost more to insure.

When You Get Your Policy

- **Make sure the policy is correct.** Ensure all information used to determine your premium is accurate, and that the policy includes everything you chose. Particular items to check include:
 - The makes and models of vehicles are correct, and that each vehicle on the policy is properly classified.
 - All drivers' ages/birth dates are correct.
 - All available discounts have been applied.
 - Types and amounts of coverage, exclusions and conditions on coverage.
- **Regularly review your policy and keep it up to date.** Various factors may affect your premium, such as moving to a new address, increasing or decreasing the amount of miles driven each year, adding or removing a driver, and replacing an older vehicle with a newer one.

Other Resources

The Colorado Division of Insurance has several resources available to consumers to help with insurance choices. We publish auto premium comparisons twice a year showing the premium rates for drivers with certain characteristics. We also have a Consumer's Guide to Auto Insurance that provides more in-depth information about the coverages required and available in Colorado. Also available are the Insurance Industry Statistical Report and the annual Consumer Complaint Ratio reports, which provide information about the market share and complaints lodged against insurance companies.

These publications are available on the Division of Insurance's website at www.dora.state.co.us/insurance under the "Publications" button. Or you can call the Division's Consumer Affairs Section, known as ICARE, at 303-894-7490 or 1-800-930-3745 with questions.

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"The Mission of the Division of Insurance is Consumer Protection."

General Number: (303) 894-7499 / Consumer Complaints: (303) 894-7490 /

Toll Free 1-800-930-3745 / FAX: (303) 894-7455

Producer Licensing/ASI: 1-800-275-8247 / V/TDD for the Deaf or Hearing Impaired: (303) 894-7880