

Understanding Your Insurance

Five Things You Should Know About Auto Insurance

(NAPSA)—Having a better understanding of some basic auto insurance principles and terms could help you be certain you're protected—and could even save you money.

According to a survey done by the Progressive group of insurance companies, most consumers don't take time to regularly review their auto insurance policy to be certain that it still reflects their needs. Auto insurance is complicated. Here are five things you should know:

1. Types of coverage. There are two general "types" of coverage available. One, generally referred to as first party coverage, protects you and your vehicle. First party coverages include comprehensive, collision and primary medical, including medical payments and, in some states, Personal Injury Protection (PIP). The second type, called third party coverage, protects those to whom you might cause injury. Third party coverages provide protection for bodily injury and property damage you cause to others.

2. Use your deductible to save money. If you purchase comprehensive and collision coverage, you'll be asked to select a "deductible" amount—that is, the amount you'll pay on a claim before the insurance company begins paying. When selecting your deductible level, consider how much you could afford in the event of a crash. A higher deductible helps to keep the overall cost of auto insurance down. According to the Insurance Information Institute, increasing your deductible from \$250 to \$500 can



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save you up to 20 percent on comprehensive and collision coverage.

3. Make sure your policy reflects your needs. Have you recently gotten married, divorced, moved, or have a teenage son or daughter who is now driving? Be sure to talk with your independent agent or insurance company to be sure that the coverage you purchased still reflects your needs.

4. Prices vary. Auto insurance rates are based on each company's expected cost of doing business, which includes the cost of paying claims. In a study of rates provided to more than 100,000 consumers, Progressive found that the average difference in premium based on a six-month policy for the same driver with comparable coverages was nearly \$600 from company to company.

5. Go online. A wealth of information is available on the Internet at sites like progressive.com.

Learn more about auto insurance by visiting a Progressive authorized independent agent or broker, calling 1-800-PROGRESSIVE, or visiting progressive.com.