

HOW TO CHOOSE INSURANCE

Helpful Hints from the Experts

Saving Money And Getting Great Coverage

by *Richard Berman*

(NAPSA)—Because he is in an insurance-related business, Paul Giacobbe of Fairfield, Conn., took great care when he decided to switch to a new automobile insurer.

"I checked with friends for references," says Giacobbe, "and I checked with the top consumer magazines and rating services. As it turns out, it's lucky I made a careful choice."



In fact, Giacobbe did find himself involved in a car accident. He lost control of his car on "black ice" in the dead of winter. While he emerged uninjured, his car suffered major damage.

"This is when you know if you made the right choice," says Giacobbe. "My insurance company was there when I needed them. They called the wrecking crew for me and took care of basically everything. They made sure the car had its original parts replaced, even though the cost was substantial. In my work I deal with a multitude of insurance companies. I'm familiar with how some companies delay or deny claims. My company paid promptly, generously and with graciousness. I couldn't have been more pleased."

Direct writing

Giacobbe recommends consumers deal with a "direct writing" company and generally not through an agent. He says: "The representatives I dealt with work for the company. They know the company. That's how they got things done for me so quickly."

Lisa Rosner is a Branch Sales Manager with Giacobbe's insurer, Amica Mutual Insurance (Lincoln, Rhode Island). Rosner has some suggestions as to what a consumer should look for when choosing an auto insurer.

"Your state Department of Insurance Web site can be a good starting point," she says. "They will likely have a 'satisfaction ratio' telling you about the number of complaints received about each insurer in your state. These sites provide rate comparisons for liability and collision and compre-

hensive coverage. They list complaint ratios for most insurance companies. These ratios are one indication of the kind of service you can expect."

Don't stop there, Rosner advises; try to save yourself some money, but not on your basic coverage. "A lot of people," she says, "tend to look for the cheapest rate they can find. But that's not always the best thing to do. In the event of a loss, if you have a company that's not going to take care of you, there's no value to that. Pick a company that is financially stable. You want them to still be in business when you need them."

Discounts available

"Once you have selected a company," Rosner adds, "look into all the discounts they may offer. Some companies will lower your insurance for safety features on your car. Other discounts may apply if you have taken a defensive driving course. There may be discounts if you have multiple cars insured. Students may even get discounts for achieving good grades in school. Ask your company what discounts they offer."

Deductible vs. premium

Rosner also says you might consider lowering the cost of collision and comprehensive coverage by raising your deductible, the amount you pay before the insurance company starts to pay you. If you have an older car, she says, you may be paying a high premium for reduced coverage. That's because any claim for damages would not substantially exceed the yearly cost of the deductible and premium amounts.

Your best interest

Overall, Rosner advises, choose a company that will work with you, with your best interest at heart. Sometimes this may be a mutual company which is owed by its policy holders, rather than by stockholders. The bottom line, she says, is that diligent research up front will more than pay off in the long run.

Richard Berman is a writer specializing in insurance issues. He consulted with Amica Insurance (1-800-24-Amica) regarding information and content for this column.