PROVISION: YOUR ADVOCATE TO FIND THE BEST INSURANCE POLICY

REPRESENTATIVE COVERAGES

AUTO | HOME | LIFE | MOTORCYCLE | RECREATIONAL | WATERCRAFT

NOT JUST INSURANCE, PEACE OF MIND

Factors Affecting your Auto Insurance Premium

Age, Sex, & Marital Status

- Male drivers under 25 will usually see higher rates than female drivers under 25, while adult male drivers typically see lower rates than adult females. Accident rates are higher for all drivers under 25, especially young, single males. Additionally, being married can significantly lower your rate due to the fact that married people tend to have fewer accidents than single people.

Coverage & Deductibles

- The specifics of your coverage and deductibles play a major role in your premium calculation. Typically, choosing a higher deductible means a lower monthly payment and vice versa. Also, adding additional coverage to your policy will increase your monthly costs, so make sure to compare policies apples to apples when shopping for a new insurance rate.

Credit History

- Your credit score is taken into account when determining your auto insurance premiums and is often used to help determine the likelihood that you will file a claim. Drivers with low credit scores generally file 40% more insurance claims than those with high credit scores.

Driving History

- Your past driving behavior is used as an indicator of your future behavior on the road; therefore, your driving history is a major factor in how your premium is calculated. Drivers who cause accidents generally must pay more than those who are accident free for several years. Fortunately, most tickets and non-injury accidents stop affecting your rate after three years, and injury accidents generally stop affecting it after five.

Education & Profession

- Individuals with a higher level of education benefit from lower auto insurance rates, and this is based on statistical averages. For example, someone with a four-year degree or graduate level degree is statistically less likely to be in an accident. Also, your occupation can affect your auto rates because certain careers are statistically associated with higher accident risk, while others are associated with lower risk.

Healthcare (Michigan Specific) & Prior Insurance

- Discounts are available if you have appropriate health insurance coverage and you "coordinate" your auto insurance with your health insurance. If you "coordinate," your health insurance policy becomes the primary payer for any injuries resulting from an auto accident. Prior insurance is also extremely important because as far as insurance companies are concerned, if you've let a policy lapse, you are considered a higher risk.

What you Drive

- Safety rating, vehicle size, and vehicle age are all factors that can influence your premium. Insurers increase premiums for vehicles that are more susceptible to damage, occupant injury, or theft, and they lower the rates for those that are less susceptible than the norm. Since the cost to replace a new vehicle is much higher than to replace an old vehicle, collision coverage rates are much higher for new vehicle.

Where you live

- The area you live in greatly affects your rates, and heavily populated neighborhoods equate to a higher risk of accidents and theft. Generally, urban drivers pay more for auto insurance than drivers in small towns or rural areas. Detroit is one of the most expensive cities for auto insurance because of high traffic density, vandalism and theft, and a high percentage of uninsured drivers.

Sources: DMV, Money Crashers, and State Farm

Factors Affecting your Auto Insurance Premium

Examples at a Quick Glance

- Below are some real life examples of what could increase or decrease your auto insurance rate based on the factors listed on the previous page. The red arrow pointing up indicates a potential increase in someone's auto rate while the green arrow pointing down indicates a potential decrease in someone's auto rate.

Age, Sex, & Marital Status

- Young, single, male

- Older, married, male

Coverage & Deductibles

- Low deductibles and full coverage

- High deductibles and state minimum coverage

Credit History

- Poor credit history

- Great credit history

Driving History

- Multiple tickets and claims in the last three years

- No claims or tickets in the last three years

Education & Profession

- No four-year degree and a job that is considered "high risk"

- A four-year degree and a job that is considered "low risk"

Healthcare (Michigan Specific) & Prior Insurance

- No prior insurance and no healthcare

- Five years continuous prior auto insurance and healthcare that coordinates

What you Drive

- Vehicle with a low safety rating

- Vehicle with a high safety rating

Where you live

- Downtown in a large, heavily populated city

- Rural town with a small population

PROVISION INSURANCE GROUP

PROFESSIONAL. PROTECTED. PROVISION.

PROVISION INSURANCE GROUP IS AN INDEPENDENT, MICHIGAN-BASED AGENCY SPECIALIZING IN PERSONAL INSURANCE.

WE ARE DEDICATED TO FINDING THE BEST COVERAGE FOR YOU AND YOUR FAMILY THROUGH OUR ACCESS TO MAJOR COMPANIES.

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