

Savings Choices

Making Smart Savings Choices

In today's unsettled economy, many people are looking for ways to stretch their money—but sometimes this includes altering insurance coverages to dangerously low levels or eliminating coverage entirely. If you're thinking about changing your coverage to save money, consider these key issues below — and give us a call. It doesn't matter if you live in Taylorsville, Heber City or any city in Utah we can help make sure you've got the right protection at a price you can afford.

- **Make sure you're getting the appropriate discounts and credits:** Most insurers offer a variety of policy credits and account discounts that can translate into significant savings — without endangering the level of protection you need for your home, autos and other valuable property. And often, if you purchase multiple policies through the same insurance company, you'll receive further discounts. People who own motorcycles or boats and who complete approved safety courses can qualify for discounts, and families with teen drivers who earn good grades in school may qualify for auto policy discounts.
- **Increase deductibles for cost savings:** Only a small percentage of homeowners have claims in any given year, so you might consider increasing your deductible.
- **Specialty lines coverage options:** Own a classic car or RV? If their use is seasonal, you can typically reduce your coverage to liability only during the off-season, then add full coverage only when you are actually using the vehicle
- **Full payment on policy:** Depending on your financial circumstances, you may be able to make lump-sum payments instead of partial premium payments, such as monthly or quarterly. Partial payments often include small transaction fees, so paying the full amount can eliminate those extra costs.

Some decisions to avoid

It is just as important to understand what **not** to do as you look for cost savings. Here are some scenarios you should avoid:

- **It may be unwise to carry only the minimum state-required amount of uninsured/underinsured motorist coverage on auto policies, or to cancel it entirely if it is not required in your state:** According to the Insurance Research Council (IRC)*, the correlation between the percentage of uninsured motorists and the unemployment rate is high — when the economy is struggling, more people go without insurance. You want to make sure you're protected in this instance.
- **Ignoring renters insurance:** This coverage is often overlooked no matter what shape the economy is in. Landlords' policies generally only cover the structure, not the individual renters' contents. Imagine having to replace furniture, clothing and other personal property out of pocket because you excluded this essential, affordable coverage and then suffered a devastating loss from a burglary or other covered event.

Saving money is important, but so is making sure that what you've got is protected. If you're looking for ways to save, or want to review your coverages, give us a call!

*Insurance Research Council, January 21, 2009

