

Insurance.com RateWatch: Auto Insurance Rates Jump for 3rd Consecutive Quarter

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<?xml version="1.0"?> Insurance.com RateWatch: Auto Insurance Rates Jump for 3rd Consecutive Quarter

Business Editors/Automotive Writers/Insurance Writers

CLEVELAND--(BUSINESS WIRE)--October 22, 2008--Auto insurance rates continued to rise throughout the third quarter this year, according to a study by Insurance.com, the largest online auto insurance agency in the United States.

Insurance.com's RateWatch for Car Insurance found that the lowest car insurance quotes, on average, were up 3% over the previous quarter, rising from \$1893 per year to \$1949 per year. This 3% hike follows a 3.4% increase in the second quarter.

RateWatch is based on real-time auto insurance quotes from more than a dozen insurance companies given to consumers at Insurance.com during the third quarter. It marks the third consecutive quarter of rate increases, causing concern among cash strapped drivers who are already struggling in this challenging economy.

"The increase in rates this quarter represents a trend that will most likely continue into 2009," said Sam Belden, VP - Strategic Alliances at Insurance.com. "Drivers should take some time to understand how the type of car they drive, and their driving habits, affect their rates."

Car insurance rates vary by state, and some locales experienced rate quote increases in the third quarter that were greater than the average. For example, Washington, D.C. had an 8.3% increase in rates, while Nebraska and Rhode Island saw rates jump 8% and 7.4%, respectively.

"There are many things consumers can do to save on car insurance, like comparing rates from several companies before they renew a policy, driving more carefully, and never letting a current policy lapse," said Belden. "When a driver does not have continuous coverage, he or she may not qualify for the best available rates, and may be placed in the same risk category with drivers who have violations and accidents. This can cost a driver significantly more money for years."

Additional Findings

Among the top 10 states seeing the sharpest increase in car insurance rates in the 3rd Quarter were Washington, D.C. (up 8.3%), Nebraska (up 8%), Rhode Island (up 7.4%), Kansas (up 6.6%), and Florida (up 4.9%).

Rates in 10 states decreased compared to 2nd quarter. The largest decreases were in North Dakota (down 7.8%), West Virginia (down 7%), and Wyoming (4.5%).

In 9 states, rates were essentially unchanged, varying by less than one percent.

The full report is available at www.insurance.com/ratewatch.

Money Saving Tips

Insurance.com offers these tips for consumers:

Thinking about buying a hybrid?

Going hybrid is an attractive alternative these days, and while it *may* save you money on your auto insurance, be sure to do your homework up front. A few leading companies, like Travelers Insurance, offer a 10% hybrid car discount. But repair costs for hybrid vehicles may be higher than a comparably priced car, and those higher repair costs could mean higher insurance rates. So, while you save the environment, you may not necessarily save on insurance, unless you take the additional step of simply driving less. Then you can qualify for a *low mileage or commuter discount* - offered by even more companies.

Drive Safely

Better drivers pay less, on average, for their auto insurance. Insurance.com's research shows that the average price of a policy jumps \$200-\$400 for customers with one to two traffic violations. Driving within the speed limit, obeying the law, and generally being a considerate and safe driver can help keep your premiums low.

Never let your policy lapse

Money's tight. If you're trying to decide which bill to put off paying, don't delay on your insurance premiums. A late payment may cause your auto policy to lapse, which automatically puts you in a category with risky drivers, even those with accidents and traffic violations. When you go to buy a new policy, it could cost you hundreds of dollars in higher insurance premiums.

Shopping online saves time - and money

Compare several companies to make sure you get the coverage you need at the right price. Strapped for time? Shop online - it can save you time and money. New customers reported an *average annual savings of \$595* when they shopped and switched carriers at Insurance.com.

About RateWatch

RateWatch for Car Insurance compares the lowest average car insurance rates quoted to consumers visiting Insurance.com in the 3rd quarter of 2008 to the rates quoted in the prior quarter. The rates consumers viewed, but didn't necessarily purchase, come from auto insurance quotes consumers received from over a dozen of the nation's leading auto insurers. Over the course of a year, Insurance.com provides car insurance quotes to more than 1 million people visiting the website or calling for a quote. While RateWatch for Car Insurance is a broad indicator of pricing activity in the personal auto insurance marketplace, it is not a comprehensive index as it reflects only the quotes of companies Insurance.com represents in the 47 states where it quotes (all states except Alaska, Hawaii, and Massachusetts). Due to market changes, the New York rate change is not available this quarter. For more information, go to www.insurance.com/ratewatch

ABOUT INSURANCE.COM

Insurance.com is the leading online independent auto insurance agency in the United States. Our innovative technology allows consumers to link directly to the rating systems of more than a dozen top insurance companies. We streamline the shopping process for consumers, empowering them to instantly compare rates and make the smartest decisions for their insurance needs. Since 2000, millions of drivers have benefited from using our online shopping experience or speaking with our expert, licensed agents by phone. Headquartered in Solon, Ohio on the outskirts of Cleveland, Insurance.com also offers information for life, health and home insurance.

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