

Car Insurance Rates on the Rise Again

Main causes of rate increases and how to avoid them

Insurance rates are determined using a variety of factors such as your driving history, where you live and what kind of car you drive. Over time the weighting of the various factors may change, along with the insurance company's experience in the market which results in changes to the rates charged. Although in some cases drivers might see a rate decrease, for the most part it is insurance rate increases that are most noticed and more prevalent. An auto insurance rate increase can happen for a variety of reasons.

Insurance companies review their rating on a regular basis, ensuring that they

are up to date with current statistics and trends. This can mean that an insurance rate will increase simply because the results for that particular profile have changed. It could be that the vehicle is more commonly stolen, or the cost to repair it has increased due to rarity of parts. Company-wide rate changes are the hardest to accept for many drivers, but they are also often the reason a driver decides to take the time to obtain insurance quotes and shop for a better rate.

People will likely see an increase in their car insurance rates on the first insurance renewal date following an incident that affects their

driving record. There are two ways in which a driver's record might change, causing an insurance rate increase – a traffic violation or an accident in which the driver has been found at fault. An at-fault accident will almost always result in an increase unless the driver has accident forgiveness coverage on the policy. Even then, not all accidents fall under the forgiveness conditions and a rate increase might follow.

There are also a number of factors aside from driving record that can result in a rate increase on an insurance policy, such as where the vehicle is kept, commute distance and who primarily drives the vehicle.



Since each insurance company has their own approved rates and can change them frequently, the best way to make sure you are paying the best rate available for your profile is to shop around. With so many online quoting services available, it makes sense to spend a few minutes every time the policy renewal comes in to check your rate against those offered by other insurance companies.

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