



6 Things Impacting Your Car Insurance Quote

(Before Adding In Your Accidents and Tickets Makes a Bigger Difference)

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If you didn't already know, your driving record – that is, tickets, accidents and claims – are one of the biggest and most controllable areas that you can influence to help hold down the cost of your auto insurance. However, a lot of factors enter into the rate-making formula long before you decide to seek out a [car insurance quote](#) from a local agency or direct writing insurance company.

Your driving record is one area that we consider within your control and as such, is considered a changeable factor. However, what follows are factors that are not as easily controlled or as well understood. Much of the cost of your [car insurance quote](#) is built into the formula before you even start and here is a representative list of the things you may not be able to influence or alter as easily as how fast you drive. I will give a rundown on some (but probably not all) insurance rating factors and help you understand how you might influence the cost of your [car insurance quote](#).

1. Where You Live – Geography and Territory

Geography is one of the more important elements insurance companies work into their auto insurance quote rating formula. Most often geography is represented by a “territorial definition” or territory code that represents the area where you reside and garage or park your auto. Rates from one territory to the other can vary dramatically. In Ohio, for example, the law permits only one set of rates for each geo-political jurisdiction. In other words, rates for the city of Cincinnati will be the same if you live in one neighborhood or another. Adjacent cities, however, can have different rates. For a long time, Michigan saddled their highest and lowest rates in the state to each other. That meant that when rates needed to go up in the highest cost area, rates also had to go up the lowest cost area to keep rates legal even if they didn't need to go up otherwise.

The cost of a **car insurance quote** in Ohio can be different depending upon where you live. Generally, large urban areas cost more than the suburbs and the suburbs cost more than rural areas. That said, all companies rate based upon their experience in any given territory and experience can drive rates despite the character of the geography. So even if you live in a rural area, your auto insurance quote can be influenced by the experience of the company in your area and your rates will reflect this experience.

2. Your Age, Gender, and Marital Status

Let's face facts. If you are under 30 and unmarried, you pay the most for insurance. So, before you even begin, the **car insurance quote** you get will factor in the impact of whether you are male, or female; whether you are married or unmarried; and how old you are. Under ordinary biological conditions, you can't change your age or your gender. You can choose to be married (so maybe we can put this in the manageable column)!

Here are the general rules about age, gender and marital status. Drivers from 16 to 22 pay the most regardless of gender. In some states, females pay a little less than males through age 24 (But you girls are closing the gap because of your driving records). Those of you who are married under age 25 also generally pay less than unmarried people of your same age. Some companies impose higher rates on unmarried people of any age. This goes back to old traditional underwriting concepts about "stability" of the individual. The theory was and is that being unmarried makes you more susceptible to accidents due to your behavior as a single, unmarried person.

The only other area worth mentioning about age and gender is at the opposite end of life. After age 65-70, most insurance companies begin raising rates again to correspond with age. When you were young, **car insurance quotes** were impacted by your inexperience and youthful exuberance. In your elder years, experience and exuberance turn into hesitance and declining motor skills. We all age differently but generally, once we pass age 70, rates begin to again go up.

3. Your Credit History and Credit Utilization

Some smarty-pants type within the insurance universe connected some dots 15-20 years ago that suggested a connection between credit history and utilization and the risk of that person to having a claim on their insurance. Since that can of worms was cracked open, almost the entire insurance industry has adopted some form of underwriting and pricing consideration that is based upon credit records and interpretations. This impacts a bunch of people. Their **car insurance quotes** are influenced up in cost compared to the absolute best rates a company has to offer for the best credit.

How one handles their credit relationships and how a person uses credit in general, has some relevance to how someone will handle their insurance relationship. I don't argue that credit isn't

at least a portion of the information that might tell us one person over another is a better risk. But there are problems with using credit that snag up good risks with possible credit issues. For example, some people won't get the best rates because they don't have any debt or don't use credit at all. In another instance, some people who have medical-related derogatory credit entries on their credit report won't get the best rate all because they sought and obtained medical treatment that a health insurance company didn't pay or which they didn't have enough coverage to handle. Some people will pay more on their **car insurance quote** because they don't handle their credit well at all. Just be advised that most companies use your credit record in one form or another to arrive at an underwriting or pricing decision and this impacts you even more if you have a driving or claims record that also gets added to the mix.

4. The Vehicle You Drive

I recently had a 60 year old married man with great credit and a clean driving record ask me: "Why does my Mustang cost me so much more than my other cars?"

The easy answer is the experience of the vehicle has been driven up to the point that the insurance company has to account for losses on the exact make and model of the vehicle you drive. Insurance companies collect a lot of data and if drivers like I described above were the only ones who drove Ford Mustangs, well, the rates would probably be lower. But they aren't and there is a reason. In the case of the Mustang (and Camaros and Civics and Other cars), young drivers like certain vehicles, and especially performance vehicles. They like sexy, appealing, muscle cars with horsepower and sex appeal – girls and guys alike. We might be able to explain away a lot of the high rate on the Mustang by considering the drivers who drive up the number of claims and cost of insuring the car. On the other hand, four door Chevy Impalas and Ford 500's are comparatively much easier to insure because they don't attract a lot of young driver-owners. But there is also another influence lurking within the year, make and model of car you drive!

Insurance companies compare the experience on makes and models and track these results over time, even across many model years. This is sometimes called "series rating". Some car makes and models turn out to be more expensive to insure because of the way they were built. In insurance, your **car insurance quote** is impacted by "series rating". The rating symbol we use that represents the cost and experience of the car in our rating software changes (both upwards and downwards) from time to time based upon the evaluation of the cost of the claims we incur in providing coverage to that vehicle, compared against what we have originally projected. Factors like quality, design or construction characteristics of a car are inherently represented in the cost we incur in making repairs and paying claims. Also reflected in this "symbol" is also the results brought to the car by the mix of drivers who are attracted to and drive the car. Put another way, young drivers attracted to certain cars drive up the cost of everyone who insured a particular

make or model. So, your **car insurance quote** can be impacted by the car you drive before we even consider your credit or record.

5. The miles you drive, The Type of Use

Your **car insurance quote** is impacted by the amount of miles you drive to and from work and school, total miles driven annually, and even whether the car is used for business or is just a pleasure use vehicle.

As a general rule, if you use your car for business sales calls or work related tasks, your rates will be higher than almost every other personal type of use. Next most expensive is the distance you drive one way to work or school. Long commutes are most expensive to insure than short commutes. That said, the number of days you use your car to commute each week can also be a factor. Does your car sit except on days you don't use the carpool? Short commutes are next less expensive and also impacted by the frequency of the commute each week. Pleasure use is generally the least expensive of the rates. The miles you drive each year, and the distance of your commute, and the type of use your car is put too, all impact the cost of your car insurance quote.

6. Your Prior Insurance, Who Provided Prior Coverage

All other things being equal, if you don't have at least six months of verifiable prior insurance coverage and experience with another carrier, your **car insurance quote** will be higher than those who maintain at least the minimum required continuous insurance in your state.

Moreover, some companies actually appear to have a different rate when your insurance was with certain insurance carriers considered to cater only to "risk-risk" insurance customers. Escaping to better rates can be impacted by who you chose as a previous insurance company, it seems.

Why do insurance carriers care about prior insurance and who you were insured with? It seems companies look at the totality of your record as a driver and as a customer. The absence of prior insurance reflects as indifference to the requirements of the law and if you are indifferent to the law, you'll be indifferent to how you handle your insurance affairs. Some companies also seem to equate the prior carrier to your potential risk to the new company and its rates and build their rate formula accordingly. Some companies also want customers from certain companies and build their rates to encourage the customers of some companies to make a switch. The impact of such a thing on your **car insurance quote** is likely minimal (but it all adds up).

Summary

More than your driving record impacts your **car insurance quote** these days. Some or all of the latter can be impacted by changes you can make. Some things you can't change but as you

progress along your time on this earth the things you cannot change generally becomes less of an influence to the cost of your insurance. And insurance companies are always looking for new ways to sharpen their pen and find clients that are not likely to cost them in terms of claims. Once such “new idea” that is getting a lot of attention in the insurance business is found in the race by carriers to provide rates based upon your actual driving practices. These are rates influenced by how you operate and use your car right down to how sudden you stop, how fast you accelerate, and everything in between. Telematic recording devices are placed in your car to monitor your driving habits and the results are reported to the carrier. What the device collects can result in discounts or surcharges, depending upon a variety of measured information it has provided.

There is a lot more than driving record in front of you before you seek out a **car insurance quote**. Getting the best possible rate isn’t entirely controllable but now that you know the things that start to cost you money on insurance, you can take the steps to lower the risk and manage the factors that insurance companies see in you as a driver and customer. Getting the lowest **car insurance quote** is really, after all, up to you!

You can obtain a **car insurance quote** by following the link to get an [**Ohio Car Insurance Quote**](#) and get a money saving auto insurance quotation right now. It takes only a few minutes. You can also quote your home insurance without much additional effort. And, when you need or want the help of a local insurance agent, give us a call or email because I’m here to help. You’re not alone and you’ll always have just one person to contact for help with your insurance. I have 37 years of experience helping my clients get the best insurance value. Thanks for checking out rates.

About the Author:

Terry McCarthy has a unique and varied background as an insurance professional and has worked for exclusive agency companies and as an independent agent during his career. He has started and succeeded at building three agencies from scratch and for seven years worked as a district field manager for the Farmers Insurance Group of Companies in Cincinnati, OH. He earned a broadcast journalism degree from Central Michigan University and holds the designation of Chartered Financial Consultant and Chartered Life Underwriter, both designations conferred by the American College in Bryn Mawr, PA. Today he is the owner and principal agent of Insurance Associates Agency Inc., in West Chester, OH and throughout his career has spoken before thousands of agents as a speaker and educator. He is the author and has published dozens of articles in various media through his 37 year insurance career and has many varied and unique skills obtained through his natural curiosity and willingness to take on new challenges and learn new things.