

# **When To Claim: Tips To Protect Yourself From Insurance Premium Hikes**

If you have ever been in a minor traffic collision, you probably have been in the situation where you debated whether you should make a car insurance claim or pay out of pocket. Often, however, the actual effect that a claim may have on your rates is difficult to determine. So before you shell out additional money to make repairs, here are some facts about making a car insurance claim and when it is the right decision for you.

## **Know Your Policy**

The first step in deciding whether you are going to make a claim for an accident or damage is to understand your policy. There are a number of factors involved in determining whether a claim will increase your auto insurance premiums, and understanding these factors before you are in an accident is important. Also, understanding how your insurance company increases rates is important to know not only when you make a claim, but also when shopping around for a policy that works for you. Many policies offer accident forgiveness for your first at-fault accident and have a variety of deductible and coverage options. The best way to protect yourself from an excessively high auto insurance premium is to design a policy that provides you with exactly what you need.

## **Making A Claim**

The decision to make a claim should be based on your existing policy, the severity of the accident you have been involved in, and your personal circumstances at the time of the accident. If you have a high deductible and the cost of making repairs is not much more than the deductible, it is probably not in your best interest to make a claim. Also, if you have made a claim and change your mind, you can in most cases rescind the claim. Insurance companies are a business, and not having to pay out on claims saves them money. It is also a good idea to ask your insurance company for their surcharge schedule. Though it may be confusing, it will give you information on how your insurance company calculates rate increases.