

Why Is My Car Insurance So High: Understanding How Auto Insurance Premiums Work

Car insurance rates are dependent on a number of variables, and understanding what your rate is based upon can help you determine whether you are getting the best deal possible. Here are some of the criteria your car insurance rate is based upon; this will give you a better idea of the factors determining your rate and what you can do to get the best rate possible.

Experience And Age-These two factors can have the biggest influence on the rates you will be paying for your auto insurance. It had been shown that young drivers are involved in more accidents than more mature drivers. Experience has also been shown to be a factor in accident rates. In most cases, however, an older person who is a new driver will have lower rates than a younger new driver.

Location-Where you live also has an effect on the auto insurance rates you will pay. Areas with more traffic, higher accident rates, and more dangerous weather conditions are seen as bigger risks, and as a result the drivers in these locations are forced to pay higher rates.

Type Of Vehicle You Drive-Several factors related to the type of vehicle you drive will influence your auto insurance rates. Newer cars cost more to repair and replace and therefore you will pay higher rates to insurance a newer vehicle. The make and model of your car, and even the color, can affect your premiums.

Credit Rating-While it may not seem obvious or even fair that those with lower credit scores should be seen as higher risk drivers, your credit score does affect your insurance rates.

If you are concerned with the rates you are paying for your auto insurance, it is always a good idea to shop around, even if you're not due to renew for a while. It will give you a better idea of whether the rates you are paying are fair, and help you find an insurance company that can offer you a better deal once your renewal date has come up.