

How Will An Accident Affect My Auto Insurance Rates?

If you have recently been in an auto accident you are likely already dealing with considerable stress, but worrying about whether your car insurance rates will increase as a result shouldn't be your priority when making a claim. Here are some facts about how accidents affect car insurance rates and what you can do to minimize the effect of potential rate increases should this ever happen to you. After all, car insurance is meant to keep us protected in case of an accident, and finding the right plan will ensure that.

Knowing Your Policy

This may seem obvious, but knowing exactly what is covered in your insurance policy and what happens in case of an accident will ensure that you are prepared if it should occur. Depending on your policy, you may or may not have an insurance premium hike after an accident. This is a good thing to know when you are shopping around for car insurance.

Choosing A Policy With Accident Forgiveness

There are a number of auto insurance policies on the market that offer first at-fault accident forgiveness. This means that your rates will not go up for your first accident. This, of course, only applies to drivers who have never been involved in an at-fault accident, but if this does apply to you it is a feature that you definitely need to look for.

Ask Your Insurance Company For Their Surcharge Schedule

A surcharge schedule is the document that outlines how your insurance company increases rates based on claims you and their other customers make. They are required by law to have this type of document and you are entitled to a copy of it if you request it. Reading this document can be complicated, however, as it will usually include percentages and will require a bit of math to figure out. If saving money is a priority this may be worth the work.

In most cases, the more claims you make the more your rates will increase, and though we may not like it, this clearly makes sense. A few comparisons, however, can help you find a company that will not only offer you fair rate increases, but one that is transparent about its charges. This is usually a sign of an honest and reliable company, an important factor in choosing your insurance.