Article published on January 3rd 2012 | Auto

We've all been bombarded with ads, emails, commercials, and billboards saying how much we can save on our auto insurance by switching to another company. It's a competitive industry. Just because another company is offering a better rate doesn't mean you should rush to call and cancel your insurance and switch. There are a few things you need to make sure of before you do.

Here are a few things to watch out for before you switch your auto insurance to another company.

If you've been with one company for many years and they offer a credit that waives the first accident you have, you may want to stay or see if the other company can match it. Sometimes this is referred to as good driver discount or a longevity discount or accident forgiveness. The company rewards you for your loyalty by waiving the first accident you have.

This discount can be pretty significant. Since most accidents can raise your rate by 40% for 3 years the potential savings could be several hundreds of dollars over that 3 year period. But when you switch companies, you lose this credit you've built up. If you have an accident with that new company how much are you going to regret not having that accident forgiveness by seeing your rates jacked up by 40%?

Another thing to be mindful of is to make sure the company you are switching to is not offering you just a teaser rate for the first 6 months to get your business and then bump you up 6 months later once they've got you on their books. Since auto insurance is a profitable industry, companies may offer you a low ball rate to get you to switch and then once they've got you increase your rates at the renewal. If the rate the new company quotes seems too goo to be true do more research. Check out insurance forums or search Google for "XYZ insurance + Reviews."

Watch out for hidden fees. This is one that can surprise you. Some companies charge you for making monthly payments - usually $3-$5 a month. Over the course of a year that comes out to $36-$60. That one fee can take a big bite out of your potential savings so make sure you factor that into the rates you are comparing. Make sure you are really saving money when you switch.

Two other things to keep in mind when shopping around for auto insurance are the new company's website and hours of operation. Make sure their hours work with your hours. If they are only open from 8-5 and you work 8-5, when are you going to be able to call them if you have a question or need to make a claim? If you do all your business online you want to make sure the company you are looking at has a capable website that can help you 24 hours a day.

You can save money by shopping your auto insurance around. Just be sure to keep in mind the things I've mentioned to make sure the deal you're looking at is really a great deal.

Article Source:
http://www.articleside.com/auto-articles/3-warnings-before-switching-auto-insurance-companies.htm - Article Side

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Article Keywords:
best car insurance rates online,best cost car insurance,cheap auto insurance,cheapest car insurance

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