



Article published on March 14th 2012 | [Insurance](#)

There are many people who find auto insurance quite confusing and tricky. It is because of this reason people recommend to get maximum knowledge about the types of insurance before one gets himself engaged in any kind of insurance plan. You need to understand the type of options you have and then must analyze all those options to understand which one would lead to money saving. There are various types of coverage like underinsured/uninsured motorist coverage, rental reimbursement, roadside assistance, gap coverage and comprehensive coverage that tend to provide protection to the clients for a little price increase.

The most expensive coverage out of these options is the comprehensive coverage but its value is meaningless when it is compared with the liability coverage and the collision coverage. On the whole, the underinsured/uninsured motorist coverage has a lot of benefits and is usually preferred by many people. Generally it is believed that spending few bucks more on insurance policies will save a lot of money in future.

There seems to be no fixed insurance rate as it is dependent on various factors. The insurance companies use different criteria when evaluating various insurance applications at the time of underwriting. They have clear guidelines related to the groups of drivers they accept and how much they would charge to those groups which they find risky. Such guidelines vary from company to company and you may need to compare them closely before making any decision.

At the time of underwriting, the applicants are categorized according to the number of claims the company thinks it may have to pay. There are different types of software used for the underwriting process in auto insurance. The records of the motor vehicle are checked to determine how many tickets or accidents the driver has received over time. Most of the insurance companies check insurance history report as well to get an idea whether the driver has made any sort of insurance claims and the amount that was paid to him. The numbers of accidents and the violations have a direct impact on the rates the individual receive for three years.

However, there are some companies that check the applicant's history for five years before deciding whether to offer him insurance or not. The credit history of the applicant is also checked. They do not look at the credit report but primarily use it to determine the group in which he belongs to.

There are different commercials saying that switching to a certain insurance company can let you save some money. This clearly indicates that the insurance price tends to vary tremendously. On the whole, the auto insurance industry is highly competitive. The most effective way to reduce the insurance cost is just to 'shop around'. You would need to survey the market thoroughly and compare the price and the service provided by each insurance company. At first, you may find it quite difficult but you will surely find a good auto insurance provider that offers a good price and ensures excellent service.

Article Source:

<http://www.articleside.com/insurance-articles/help-yourself-by-knowing-more-about-auto-insurance.htm> - [Article Side](#)

[Jerry](#) - About Author:

It is a hard fact that more knowledge about a [auto insurance](#) will never do harm for you. So make sure you get the best a [auto insurance agents](#) to get the perfect insurance according to your needs.

Article Keywords:

auto insurance, auto insurance agents

You can find more [free articles](#) on [Article Side](#). Sign up today and share your knowledge to the community! It is completely FREE!