



Know Your Insurance

Auto

Courtesy of HGI Solutions

Tips for Auto Insurance Buyers in 2025

Auto insurance premiums are expected to rise in 2025, so it's essential for drivers to explore ways to save money. Premiums could go up for all drivers, including those without moving violations or claims, due to market factors like increased repair costs and more frequent severe weather events. Additionally, inflation and supply chain disruptions have driven up the cost of vehicle parts and labor, contributing to higher overall claims costs.

Amid difficult market conditions, consider the following ways to help reduce auto insurance costs:

Explore Pay-as-you-go and Usage-based Insurance

Insurance companies typically determine rates based on driving history, age, location, vehicle value and credit score. Some insurers offer telematics-based or usage-based insurance, which also uses information about your driving behavior and mileage to set your premium. These programs use tools like mobile apps and plug-in devices to monitor your driving in real time. Pay-as-you-go insurance could offer significant savings if you drive less than 10,000 miles annually.

Evaluate Your Current Coverage

Regularly reviewing your auto insurance coverage is crucial. For older or lower-value vehicles, maintaining full coverage might not be cost-effective. Your agent can help you assess whether comprehensive and collision coverage are necessary based on your car's current value. Your agent may also suggest adjusting your deductible to balance premium costs and out-of-pocket expenses in case of a claim.

Compare Auto Insurance Rates by Shopping Around

Local insurance agents have industry knowledge and relationships with insurers. They can help you evaluate coverage options that might not be obvious. They can explain the benefits and drawbacks of different policies so you can tailor your insurance to get appropriate coverage at the best possible rate.

Consider Bundling Policies

Getting all your insurance policies through one insurer (i.e., bundling) can help save you money. For instance, if you have home or renters insurance, getting your auto insurance through the same carrier could qualify you for discounts. Bundling can also make filing a claim easier since there will only be one point of contact.

Improve Your Credit Score

Insurers in most states use your credit score to help determine your insurance rates; lower credit scores can mean greater risk for the insurer and higher premiums as a result. Taking measures to improve your credit rating can translate to lower insurance costs.

Ask About All Potential Discounts

Your broker can help determine your circumstances and inform you about discounts you may not have heard about. For instance, taking a defensive driving course might qualify you for a lower premium. Other discounts may also be available for good students, loyal customers, military personnel and safe drivers without past claims.

Contact HGI Solutions today to learn more about offsetting potential premium increases and finding the best coverage for your needs in 2025.
