

## The Main Reasons Behind Car Insurance Fluctuations

Tuesday, September 5th, 2023.

Car insurance rates can often seem mysterious, but there are concrete factors that can cause your premiums to rise or fall. These changes are influenced by various elements, some of which are within your control, while others are not. Understanding these factors can help you navigate the fluctuations in your car insurance rates and make informed decisions to manage your premiums effectively.



## Listed below are the 8 main causes of an increase in car insurance rates

- **Driving History:** Your driving record plays a significant role in determining your insurance rates. Incidents like accidents, regardless of fault, speeding tickets, reckless driving, and DUIs can lead to higher premiums. If you've made claims in recent years, this can also contribute to an increase. Maintaining a clean driving record over time can help lower your rates as past claims lose their impact;
- **Credit Score:** Your personal insurance score, which includes your credit score, is used alongside other factors to calculate your insurance rates. This practice enables insurers to provide coverage to a wider range of individuals and maintain fair rates. If you suspect errors in your credit report, contact Equifax. Corrected credit information can lead to a reevaluation of your premium;
- **Mileage:** Driving more increases your accident risk. If your driving habits change, such as driving less due to lifestyle adjustments, inform your insurer, as this may make you eligible for reduced rates;
- **Vehicle Choice:** The type of vehicle you own can affect your insurance rates. New cars typically cost more to repair after accidents and are at a higher risk of theft. If you're considering purchasing a high-end vehicle or one with sought-after parts, discuss the potential impact on your rates with your insurer;
- **Adding Additional Drivers:** Any changes to your policy, including adding new drivers, can influence your premiums. Adding a teenage driver, for instance, often leads to increased rates due to their higher-risk status. However, some insurers offer discounts for good student drivers with a GPA of B or better;
- **Local Statistics:** Insurance companies consider factors beyond individual driving habits, such as your location. A higher crime rate, more accidents (often due to distracted driving), an increase in uninsured or underinsured drivers, insurance fraud, and a rise in natural disasters in your area can all lead to higher insurance costs;
- **Inflation:** Rising auto repair costs, driven by supply chain disruptions and labor shortages, require insurance companies to adjust premiums to cover these increased expenses;
- **Changes in Discounts:** Keep an eye on any changes in the discounts offered by your insurance company. Some may provide introductory discounts for new policies, while others might introduce fees for paper billing. Review your statements and reach out to your insurer if you have any questions about your discounts.

## Why Should I Get a Car Insurance?



Acquiring a car insurance is mandatory to protect yourself and other people in case of an accident. Each state has its own rules and values over auto insurance policies, which can cause significant variations in pricing.

Here are some related articles you may find useful: [The Major Car Insurance Companies in the US](#); [Benefits and Obligations of Having Car Insurance](#); [How Much Does Car Insurance Cost in Georgia?](#)

<https://atlinj.com/>