

It is astonishing these days the percentage of TV ads that are devoted to trying to convince you to switch auto insurance companies to save money. It has almost become the case that the noise level from some of these insurance companies with huge ad budgets is so loud that we almost don't notice them anymore. A recent 2009 survey found that only 14 percent of people who shopped around for a better rate on their car insurance found that they could save money by switching. Still, the ads play on and each one tries to come up with a gimmick that will entice you to call them and start shopping. So what about these gimmicks, are they for real or just marketing hype? Let's pull back the curtain and see what is behind some of the claims in these ads.

Let's start with the vanishing deductible plan that Nationwide offers. It sounds simple on the surface; Nationwide will cut \$100 off of your deductible for each year that you don't cause an accident or file a comp claim such as glass breakage, vandalism or theft of your vehicle. Now, if you do have a claim that involves your collision or comprehensive coverage, your deductible will then go up to it's original level, minus a \$100 sign up reduction. But, at most, only \$500 of your deductible can disappear. What you don't see in the ad (unless you can speed read the blurry 6 point font at the bottom of the screen) is that you have to pay \$60 per year per car for this feature. So, breaking that down, you are paying \$60 per year for \$100 of protection that you may never need. This my friends, is not a good deal for you, but it is a great deal for Nationwide. A much better plan if you are truly a safe driver and have few claims, is to take the highest deductible that you can afford and apply the savings to making sure that you are purchasing high liability limits.

What about the Progressive Insurance snapshot program? To begin with, this is only available in 39 states and right now North Carolina is not one of them. But you won't clearly know that from watching the ad. This program plugs a big brother like device into your car and transmits your driving information to the insurance company. In general, I like the idea of rewarding good drivers for their good driving habits but let's face it, you will have to be cream of the crop to beat out the others who are participating in this plan. Under a voluntary system, only the safest drivers will sign up and that is your competition for the discounts. Worse yet, it's a bit like having your insurance agent riding in your back seat all of the time watching you. It's really a bit creepy in terms of your privacy.

Allstate's accident forgiveness ad is another program that may turn out not to be a great a deal as the ad makes it seem. First of all, you will have to pay extra to enroll in this program. And in North Carolina, there is already a first accident forgiveness program built into the regulations. To learn more about that, [click here](#) . For safe drivers, the Allstate program means that you may be paying for something that you will never need. And the rebates for safe driving have to

come from somewhere. Well, you probably guessed it, they need to collect this money from you in advance in order to give it back to you later. Allstate recently reached an agreement with California regulators to stop selling their Your Choice program there after a lawsuit alleged that the program overcharges policyholders and that the costs for this program were deceptive.

My advice is that you take the time to find an independent insurance agent that you trust. Choose one that will take the time to listen to your situation and your needs and then go out and shop the marketplace of insurance companies to find the one that is best for you right now, and going forward into the future. Car insurance is complicated and important. You are trying to protect all of your possessions and your income stream and this should not be a do it yourself project.

At Clinard Insurance Group, we are a NC independent insurance agency. We insure over 5000 families all across North Carolina and we want all of our clients to be informed insurance buyers. We will take as much time as you need to be sure that you are comfortable and have a full understanding of the insurance policies that you purchase from us. If we can help you with your homeowners insurance, your auto insurance, your life insurance or even your business insurance, please call our office, toll free at 877-687-7557 or visit us on the web at www.ClinardInsurance.com

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