



# NEWS & INFORMATION

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FOR IMMEDIATE RELEASE

## **IOWA'S AUTO INSURANCE RATES CONTINUE TO BE THE LOWEST IN THE COUNTRY**

*Governor Vilsack applauds Iowans for their role in keeping rates low.*

DES MOINES – Iowa consumers continue to enjoy the lowest automobile insurance rates in the country. That is according to a 2002 update of a study released by the National Association of Insurance Commissioners (NAIC).

The study, which included the District of Columbia, ranked Iowa lowest in the nation for combined average auto insurance rates. The rank is based on the average cost of personal auto insurance for liability, collision, and comprehensive coverages in each state.

"Iowans should be commended for their role in continuing low-cost auto insurance rates in our state," Governor Tom Vilsack said. "Iowa's competitive insurance marketplace and citizens' proficient driving is a major factor in keeping rates low."

The combined average auto insurance premium in Iowa is \$557.67. New Jersey topped the list with an average auto insurance premium of \$1,146.39 - doubling that of Iowa's average rate. Last year, Iowa ranked first in the nation with a combined average premium of \$543.44.

Even with the low average rate, individual rates for auto insurance can vary significantly from company to company. Factors such as the type of automobile, who the primary driver is and where the automobile is kept can influence rates. It is important that consumers shop around to find the best coverage at a reasonable price and compare premiums, coverage, exclusions, limits, deductibles, service and conditions under which a company might not renew a policy.

"Iowa's competitive rates give consumers many options to find auto insurance to fit their needs. We encourage consumers to review their policy regularly and shop around for the best coverage and best price," Insurance Commissioner Terri Vaughan said. "Doing this important research could potentially save hundreds of dollars."

For more information about Tips for Saving Money on Auto Insurance, consumers should visit the Division's web site at [www.iid.state.ia.us](http://www.iid.state.ia.us). The iid also encourages consumers to call 1-877-955-1212 and request a *free* copy of iid-TV's video "Tips to Purchasing Auto Insurance."

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### **About the iid**

The Iowa Insurance Division (iid) has general control, supervision and direction over all insurance and securities business transacted in the state, and enforces the Iowa's laws and regulations. Currently, there are 1,619 licensed companies in Iowa, and 222 of those are domiciled here. The iid investigates consumer complaints and prosecutes companies, agents and brokers engaging in unfair trade practices. Consumers with insurance or securities-related questions or complaints may contact the iid toll free at 877-955-1212 or visit the division on the web at [www.iid.state.ia.us](http://www.iid.state.ia.us).

## Tips for Saving Money on Auto Insurance from the Iowa Insurance Division

### 1. **Maintain a Good Driving Record**

Companies charge safe drivers lower rates for automobile insurance. Each company has different guidelines to determine what price an individual will be charged. Be sure to ask the agent what criteria is used to establish the premiums.

### 2. **Comparison Shop**

It pays to shop around since prices differ among companies. In addition to cost, consider other factors such as service, dependability and the financial condition of the insurance company.

### 3. **Give Complete, Correct Information**

When you call for a quote or fill out an application make sure the data is complete and correct. The premium quote will be based on this information so it is important that the information is accurate.

### 4. **Ask About Discounts**

Ask the company or agent if you are eligible for discounts such as:

- Two or more cars on one policy
- Participation in Driver education courses
- Good student driver under age 25
- Mature driver between the ages of 50 and 65
- Car is equipped with airbags or anti-theft devices
- Auto/home insurance with the same company

### 5. **Verify the Information and Policy**

Be sure the information used to determine your premium is correct. Verify that:

- The mailing/home address is correct
- Each vehicle is properly classified
- All discounts are applied
- All drivers' age/birth date(s) are correct

### 6. **Consider Revising Coverage or Deductibles**

Raising the deductibles on physical damage (collision and comprehensive) coverage may reduce your premium. Review your current deductibles and consider if you can afford to absorb a larger portion of your loss in the event of an accident. Consider lowering or eliminating physical damage coverage on older vehicles unless a lien holder or bank requires it.

### 7. **Consider the Cost of Insurance Before Buying a Car**

Insurance companies usually charge higher premiums for cars that cost more to repair or offer occupants less protection from accidents. Companies may also charge more for vehicles that cause more damage – such as certain sport utility vehicles. Cars with high theft rates are also more expensive to insure.

### 8. **Review your Policy Regularly and Update Accordingly**

Make sure the basis of your policy is as accurate as possible. Here are some factors that can affect your premium:

- Adding or replacing a vehicle from your policy
- Replacing an older vehicle with a newer one
- Adding or removing a driver
- Increasing or decreasing the number of miles driven each year
- Moving to a new address

### 9. **Get More Information**

For more information about purchasing auto insurance, contact the iid for a *free* copy of their video “Tips to Buying Auto Insurance.” If you feel you have been treated unfairly while shopping for insurance or getting a claim paid, call the Division’s toll free consumer hotline: 1-877-955-1212.