7 key factors that affect auto insurance rates.

Auto insurance rates are not random. They're based on a set of measurable risk factors used to calculate your premium. Understanding the factors that affect auto insurance rates can help you better interpret your policy and spot ways to save.

Curious what they are? Discover 7 key elements that influence what you pay.

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1. **Your driving record.** Driving history plays a major role in your rate. Previous accidents, speeding tickets, and other violations can signal higher risk to insurers. A clean record, on the other hand, often leads to lower premiums.

2. **Your vehicle type.** The make and model of a vehicle can affect how much a policyholder pays. An older vehicle may be more likely to experience part failure or mechanical issues. Higher-priced vehicles, like luxury or sports cars, can cost more to repair and be a greater target for theft. All these factors contribute to your premium amount.

3. **Where you live and park.** Cities and areas with higher traffic density, theft rates, and accident frequency often lead to higher premiums than rural areas.

4. **Your commute time.** The more miles you drive, the greater your risk of being involved in an accident. For that reason, things like a lengthy daily commute can increase your insurance rate.

5. **Your claims history.** If you have filed multiple claims in the past, insurers may view you as a higher risk. Even small claims can affect your rate, depending on their frequency and type.

6. **Your coverage choices.** The type of coverage you select and the policy limits can directly impact your rate. Your deductible amount also matters.

7. **Whether you bundle a policy.** Choosing to bundle your auto insurance policy with the same carrier as another personal insurance policy can help you enjoy a reduced rate. Some carriers also offer discounts for things like being a good student, safe driving habits, and having built-in vehicle safety features.

While some factors that affect auto insurance rates are out of your control, many are not. Maintaining a safe driving record, reviewing your coverage regularly, and asking about available discounts can all make a difference over time. Have questions about your policy or want to explore ways to potentially lower your premium? A local, independent agent can help you make confident, informed decisions. Talk to one today.

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