

What Impacts Insurance Rates?

All insurance carriers are different and use information differently to come up with rates. Here are some of the common factors that go into an insurance quote:

1. **Deductible.** If you call your insurance agent and ask for a lower rate, expect the first thing they ask to be if they can lower your deductible.
2. **Credit Score.** This is pulled by the insurance company and is usually a soft hit on your credit, which means it does not impact your credit score like a loan application does.
3. **Current Coverage Level.** Arkansas state minimum is 25/50/25. A 25/50/25 policy will pay up to \$25,000 per person in liability for medical coverage up to a total of \$50,000 for the entire incident, and up to \$25,000 toward property damage. When searching for a new carrier, you often get better rates if you currently carry higher than the state minimum. If you do not understand coverage levels make sure you have your agent explain them.
4. **Current Insurer** - Some carriers will not quote you if you currently have a non-standard carrier.
5. **Claims** - Cost, number of claims, was there bodily injury, was the claim caused by a designated catastrophe?
Did you file a claim that was less than your deductible? It will show up on your CLUE report and it will likely count against you.
6. **Motor Vehicle Violations** - May be used for more than just auto rates.
7. **Coverage Lapse.** If there is ever a gap in coverage, try and work with your existing carrier to backdate your policy to eliminate the gap. This will likely impact your rates and prevent some carriers from accepting you.
8. **Dropped coverage.** This includes for non-payment.
9. **Continuous coverage lengths**
10. **Age, Sex, Occupation, Education**
11. **Zip code**
12. **Roof age.** Especially important in Arkansas due to special labor calculations that increase the amount insurance companies pay on older roofs.
13. **Fire Station ratings, distance to fire station, distance to fire hydrant**