



Southwestern Insurance Information Service

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Insurance News

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Local agents seeing slight decrease in car insurance renewal

By Angelia Joiner
Special to the Reporter-News

Several hundred thousand drivers dropped their insurance in the past year as the jobless rate climbed, according to a recent Wall Street Journal story.

An online agency Insurance.com says it also is seeing evidence recently of more uninsured motorists. Locally, insurance agents said they have not seen a big problem.

State Farm owner/agent Brent Mann said he's experiencing growth in his Abilene company.

"We're very competitive right now," Mann said. "We're adding new business."

Other local agents are seeing a slight decrease in people not renewing their insurance.

"We've seen evidence of a tightening economy," said Rhonda Young, owner/agent of two All State offices. "Some large clients and people at all economic levels are trying to find some ways to save money."

"Look for solutions with your agent," she said. "Most of us want to help, and we understand what is going on."

Reggie Wrinkle, Geico owner/agent, said he has seen a slight decrease in new policies for the year and doesn't have any more people paying late than normal.

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People thinking about cutting expenses by dropping automobile insurance to save money shouldn't.

A lapse in coverage could leave them worse off.

"It's something we would not advise people to do," said Jerry Johns, president of Southwestern Insurance Information Service, a regionally based insurance trade association. "If a person lets insurance lapse and then tries to re-enter the system, there is a possibility of being placed in a high risk pool."

Johns said the result could be a 20 to 30 percent increase in premiums.

"Loss of protection could be more financially devastating if involved in an at-fault accident," Johns said.

Because the Texas economy is in better shape than some, Johns said, a drop in renewals has not happened, as has been reported nationally.

"The statewide average of driving without insurance is 20 percent," Johns said, adding the number is related to enforcement rather than a failing economy and has remained the same for quite a few years.

To save money on car insurance, Wrinkle suggests the following:

- Achieve and keep a clear driving record.
- Pay premiums on time.
- Try taking higher deductibles on physical damage coverage.
- If qualified, make sure discounts for anti-theft, defensive driver, multicar and companion discounts are given.

Young said one area she does not recommend going without is underinsured/uninsured motorists coverage.

"It's really unfortunate to see people drop uninsured/underinsured motorist coverage when we know there are more uninsured motorists on the road," she said.

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To register a vehicle in the county, proof of insurance is required, and according to the Taylor County Department of Motor Vehicles, their office is not experiencing fewer registration renewals.

"Our numbers are up this year in vehicle registrations," Chief Deputy Charlotte Keesee said. "From November of last year we were at 115,210. As of November of '08, we were at 123,613. Our people are pretty good. In fact, ours come in early."

Lisa Block, spokeswoman for the Texas Department of Public Safety, said the minimum auto insurance coverage by law is \$20,000 per person for deaths and injuries, up to \$40,000 for any one accident, and up to \$15,000 in property damage.

She said that a fine for not having liability insurance could be as high as \$350 and that a repeat offender must pay \$350 to \$1,000 and may have vehicles impounded for 180 days as well as face a driver's license suspension.

"State law makes no provision for financial hardship," Block said. "All drivers must prove financial responsibility."

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