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Top Five Things Insurance Companies *Don't Want You To Know About* Automobile Insurance

1. **The Insurance Agent May Encourage You to Buy The Policy that Gives Him the Highest Commission:**

The reality is, while your insurance agent may be able to assist you in understanding the various types of coverage, they may not be the most reliable source when choosing the policy that is best for you and your family. Many insurance companies offer commissions to agents who sell their policies. One type of commission that causes concern is a “steering” commission. Under this type of arrangement, particular insurance carriers, both auto and home insurers, offer special commissions to agents who sell their policies.

What can you do?

You should always do your homework before you contact an agent to purchase insurance. Know in advance what types of coverage is available and what coverage you need to adequately protect yourself and your family. When you do meet with your agent, ask about commissions and ask him to provide a full explanation for the policy recommendations.

[For more information on types of coverage you need, download our full report on Automobile Insurance in South Carolina.](#)

2. **The Younger The Driver, The Higher The Insurance Rate:**

Statistically, drivers under age 25 pay significantly higher rates than older drivers, and male drivers suffer the hardest in terms of high insurance rates. It usually takes around three years of driving experience to qualify for a lower insurance rate.

What can you do?

Ask your insurance company if there are ways to get a lower premium. Some insurers may give a lower premium to young drivers if they complete a driving course. Another way to decrease the insurance premium for young drivers is to avoid fast, high performance vehicles and sports cars.

3. Your car is worth less after an accident, no matter how great the repairs look.

Once your vehicle is involved in an auto accident, it will more than likely be worth less than it was immediately before the accident happened. The reason is that once your car is involved in an automobile accident, it has a crash history. This means that no matter how new your car looks after it is repaired, it is probably not worth as much as the exact same vehicle without the accident.

What can you do?

When you do have the vehicle repaired, you should consider hiring an independent inspector to make sure that the repairs were performed adequately and to document any diminished value you may be entitled to. If you are not able to get diminished value from the insurance company, it is a good idea to speak with your accountant or tax professional about writing it off.

[For more information on settling your property damage claim, download our full report, The Do It Yourself Guide to Settling Your Property Damage Claim.](#)

4. Even if your car is Totaled, You May Not Get Full Value for the Vehicle.

Although most consumers are familiar with Kelley Blue Book or Edmunds, many insurance companies do not use these values in determining the total loss value of a vehicle. Many hire claims service companies to assess the value of the vehicle based on local comps.

What can you do?

Before accepting the insurance company's offer, go online to Kelleybluebook.com or Edmunds.com to compare the insurance company offer with the value you find online for your vehicle. If there is a large discrepancy, you should have your own appraisal performed. Property damage arbitration is available if you and the insurance company are unable to reach an agreement as to the value of the vehicle.

5. The Insurance Company May Be Too Close For Comfort With The Repair Shop.

If your vehicle is damaged in an accident, you have the choice of taking your car to your own mechanic or using a repair shop the insurance company suggests.

The conflict is that insurance companies each have their list of preferred repair facilities. This helps them to cut costs by setting structured rates with the repair shop, which could mean shortcuts in repairs for your vehicle. Insurance companies save so much with these relationships that Allstate went so far as to announce it was buying a chain of repair shops in 2001.

What can you do?

While it may be easier to take your car to the mechanic the insurance company recommends, it is a good idea to at least have an independent inspector look at your car after it is repaired to make sure all repairs are completed, and the work was done properly.

[For more information on car insurance, property damage and auto accidents, order our free 90+ book written for South Carolina motorists. Get your FREE copy of The South Carolina Accident Book: Avoid The Mistakes That Can Wreck Your Accident Case today!](#)



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