

# **Texas Automobile Insurance Rate Guide**

**Provided by**

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## Texas Auto Insurance Rates

### Understanding Texas Auto Insurance Rates:

Texas law requires proof of financial responsibility for anyone who drives an automobile in the state. Most Texans choose to purchase liability insurance to meet this requirement.

Liability insurance pays for bodily injuries, property damage, and rental car expenses for which a driver covered by your policy is legally responsible. The **minimum** liability insurance required by law is **\$20,000 bodily injury per person, \$40,000 bodily injury per accident, and \$15,000 for property damage per accident. This is commonly called "20/40/15" coverage.**

### Understanding Rates

Auto insurers evaluate your risk for a claim using your driving record and other factors, including the type of car you drive, the area where you live, your claims history, your credit score, your age, and how you use your car (business, pleasure, or to drive to work). Your rates are based on your risk for a claim.

**Accidents, tickets, or claims** can increase your rates. If you have accidents, tickets, or claims on your record during the past three years, your rates may be higher.

### How to Use the Rate Guide

This rate guide can help you compare rates among companies that sell 80 percent or more of the auto liability insurance in your area. It also includes the Texas Automobile Insurance Plan Association (TAIPA) and companies that have asked to be in the rate guide. The table lists companies and the annual rates they charge for four "typical" drivers. The rates shown are for a one-year basic minimum liability policy. Collision and comprehensive coverages, which pay for damage to your vehicle, are not included.

### Typical Drivers

The driver profiles may not match your situation exactly, but they provide a way to compare prices. The rates shown are estimates given to Texas Department of Insurance by the companies and are not the exact amount you will be quoted. Your premium will vary according to your individual circumstances and could be significantly higher than the rates listed.

Driver A: Adult male age 25-64 or female age 21-64 with no at-fault accidents or major traffic convictions who drives to and from work.

Driver B: Single male under age 21 with no at-fault accidents or major traffic convictions.

Driver C: Single female under age 21 with no at-fault accidents or major traffic convictions.

Driver D: Male or female over age 64 with no at-fault accidents or major traffic convictions who drives for pleasure and errands only.

### Financial Rating

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1-908-439-2200

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### **A.M. Best Co's. Ratings Classifications**

A++ and A+ mean Superior

A and A- mean Excellent

B++ and B+ mean Very Good

B and B- mean Fair

C++ and C+ mean Marginal

C and C- mean Weak

NR means the company was not rated by A.M. Best.

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### **Complaint Index**

How consumer complaints received by Texas Department of Insurance against each company compare to the average, with an index of 1.00 as average. Below 1.00 means fewer complaints than average. Above 1.00 means more complaints than average.

**TAIPA** is an assigned-risk plan for people who cannot obtain auto insurance from a standard company. Complaints regarding policies issued through TAIPA are counted against the company writing the coverage. TAIPA does not have a complaint index.

### **Benchmark Rates**

The rates set by the Commissioner of Insurance each year for rate-regulated auto policies. Rate-regulated companies can set their rates within 30 percent above or below the benchmark rate without prior approval.

### **How to Find the Best Rate**

- If you have a clean driving record, avoid companies and agents that advertise to high-risk drivers. Their premiums are often higher.
- Get quotes from several companies before you buy. Include independent agents in your search. Some agents only represent a single company or company group. Independent agents may represent several companies.
- Consider higher deductibles. You can save money on your premiums by increasing your policy deductibles. Remember that a higher deductible means you'll have to pay more out of pocket if you have a claim.
- Ask your agent about discounts. You may be eligible for discounts for having two or more cars on the same policy; completing a defensive driving, driver education, or drug and alcohol driving awareness course;

and having an automobile with airbags, automatic seatbelts, or certain anti-theft devices.

### **Before You Buy a Policy, Remember**

- In addition to cost, consider other factors, such as the company's financial strength and complaint history.
- Make sure you understand what coverages are included with the policy. Choose a policy with the coverages you need and limits that will adequately protect your assets.
- Don't cancel a policy until you have a new policy in effect. A company can cancel your policy within 60 days from the issue date for any reason, except illegal discrimination.
- Answer all questions on the application truthfully. Wrong information could cause an incorrect price quote or a denial or cancellation of coverage.
- Don't give up if a company turns you down. Companies have different standards for accepting new customers.
- Some companies may accept drivers that other companies won't.

### **Unfair Discrimination**

Under Texas law, an insurance company cannot deny, refuse to renew, limit or charge more for coverage, or unfairly discriminate in any manner because of your race, color, religion, or national origin. Nor can a company discriminate because of your age, gender, marital status, geographic location, or disability or partial disability-unless the refusal, limitation, or higher rate is "based on sound underwriting or actuarial principles." This means the company must have valid evidence that you present a greater risk for a loss than drivers it is willing to insure.

### **Having Trouble Finding Insurance?**

If you live in an area designated by the Texas Department of Insurance as "underserved," the state's Market Assistance Program (MAP) may be able to help you lower your insurance costs. For more information, call MAP

1-888-799-MAPP (6277)

TDI's Consumer Help Line or by visiting the TDI website

1-800-252-3439

463-6515 in Austin

[www.tdi.state.tx.us](http://www.tdi.state.tx.us)