



Inflation and Insurance Rates: How to Offset the Impact

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Many industries have been hit by inflation where it hurts the most, our pockets. Inflation is raising the price of goods and services including food, housing, transportation, and medical care. Like these goods and services, inflation can also increase the cost of insurance. This year, the insurance industry as a whole

is not only seeing impacts of inflation but also experiencing larger claims than ever before.

When determining premiums, carriers look at a variety of industry trends and factors like the number of claims and costs to repair vehicles and homes. We have all seen the prices of vehicles and homes skyrocket over the past year, but the rising cost of repairs has also seen a significant increase due to factors such as labor shortages and supply chain issues. Throw in the rise of nationwide natural disasters and you begin to see the trends of a perfect storm. Although the continuous climb of prices is out of our control, there are ways you can offset your policy increases.

Ways to Potentially Save Money in a Rising Rate Environment:

Bundle Your Policies - Bundling your auto and home insurance is crucial in obtaining the multi policy discount, which is one of the larger discounts offered by carriers. Ask your agent today if their carriers offer a bundling discount.

Check Out Payment Discounts - How you make your payments can matter. Many carriers offer a paid in full discount or a monthly deduction option for automatic payments to reduce costs. Speak with your agent to explore what options are available to you.

Ask About Student Discounts - Many of us have experienced the cost of adding a youthful driver to our policies. As a result many carriers offer a good student discount for high school and college students with an A or B average. At Solvay Bank Insurance Agency (SBIA), we apply discounts with a copy of student's most recent transcript or report card.

Sign Up For Defensive Driving Courses - Another consideration is having each driver in your household sign up for a defensive driving course. There are a number of in-person and virtual courses that you can take to save on auto insurance. Course offerings can be found on the New York DMV website and, once completed, these discounts can be eligible for up to 3 years.

Explore Telematics Programs - Want a little more control of your premium? Ask your agent if your carrier offers a telematics program. Depending on the carrier this may be a plug-in device or a smart phone app that monitors driving characteristics such as speed, acceleration, hard braking, time of day, and cell phone usage while driving. Discounts may be available for good driving habits.

Consider Changing Your Deductibles - Outside of discounts, changing your deductibles could result in premium savings. High deductibles can result in lower premiums.

Work With Independent Agency - Seeking coverage with an independent insurance agency, like SBIA, offers many benefits such as a more personalized relationship, a variety of policy/product offerings, and coverage options as we represent multiple carriers to find you the best fit. Working with an independent insurance agency can help you find discounts like the ones listed above, but also some other options offered such as early quote discounts (if shopping) and rewards for home updates, alarm systems, etc.

If you are feeling frustrated by the pressures of today's challenging environment, you are not alone. At SBIA, a full-service insurance agency specializing in property and casualty coverage for personal and commercial clients for 20 years, we work hard to make our customers feel confident in their financial decisions at every phase of life. We welcome the opportunity to see what we can do for you. For more information on this article or a free quote, reach out to [Sean Sullivan at 315-484-2249](tel:315-484-2249) | ssullivan@solvaybank.com or visit our website at solvaybank.com/insurance.

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