



# Know Your Insurance

## Auto

Courtesy of SCS Agency Inc

## Diminishing Deductibles

A diminishing deductible, frequently referred to as a “vanishing” or “disappearing” deductible, is additional coverage that rewards you for being a safe driver. Some auto insurances may decrease your deductible over time if you avoid car accidents and maintain a clean driving record.

### The Value of a Diminishing Deductible

Depending on your auto insurance policy, a diminishing deductible might be an included perk or may need to be purchased as an add-on. If the diminishing deductible is offered as a free incentive, then it is worth considering. But, if you have to pay extra for it, you will want to evaluate all your options for saving money. If you already are a safe driver, it may be better to set money aside for a deductible rather than paying for additional coverage that may go unused.

All insurance companies that offer diminishing deductibles have specific rules and eligibility requirements. Carefully review this information to see how coverage may impact your auto insurance policy. A few items to consider include:

- **Driving record**—An insurer usually requires that you have a clean driving record—meaning no at-fault accidents—to add diminishing deductible coverage to your auto insurance policy.
- **Deductible reset**—Your comprehensive and collision coverage may be reset, which means you will need to reselect your desired insurance limits if you have an accident.
- **Insurance claim limitations**—A diminishing deductible typically allows only one claim to be filed and then the deductible resets. This means you start over with your deductible diminishing based on your policy plan. In addition, no matter how many drivers are on your auto insurance policy, you can only use the reduced deductible once.

### Other Discounts Are Available

Diminishing deductibles are one way to save money on your auto insurance. However, if you don’t qualify for it or don’t want to pay extra for it, there are additional ways for good drivers to save money on auto insurance. These include:

- **Usage-based insurance (UBI) premium discounts** may be offered to drivers who demonstrate safe driving habits through UBI programs. UBI tracks data, including speeding, hard stops, mileage and phone use while driving. It tracks this data using a device installed in your car’s on-board diagnostics II (OBD-II) port, a smartphone app or systems built into your vehicle, such as OnStar or ConnectedDrive.
- **Safe driver discounts** can provide savings ranging from 10% to 40%, may be offered by your insurer if you keep a clean driving record.

- **Good student discounts** provide savings for full-time students who maintain good grades.
- **Full payment discounts** provide insurance savings when your policy's premium is paid in full.
- **Responsible payer discounts** help you save when your auto policy premium is paid on time.
- **Multivehicle discounts** help you save when you have more than one vehicle in your household on the same insurance policy.
- **Multipolicy discounts** help you save when you buy other types of policies in addition to auto insurance, such as homeowners, renters, condo, boat, motorcycle or RV insurance.
- **Defensive driving discounts** provide auto insurance savings when you take a defensive driving course.
- **Automatic payment discounts** provide savings when you set up automatic payments for your bill.

### **Get the Savings You Want**

Car accidents can happen at any time to anyone. Just one accident can reverse all your hard work toward your diminishing deductible. Contact SCS Agency Inc today to determine if this coverage is the right choice for you or if there is another way to save on your auto insurance.