

Tuesday, April 1, 2008

New auto insurance options roll out today

Drivers may have to shop around

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To reach her patients in the rolling hills of western Worcester County, VNA Care Network Inc. visiting nurse Nicole M. Congero sometimes drives 50 to 60 miles a day in her Toyota Tacoma. Gasoline can run \$100 a week. Wear and tear adds up, too.

All of which leaves the registered nurse from Hardwick waiting to hear whether changes in state automobile insurance regulations might offer her a chance for something lower than the \$100-per-month auto insurance premiums she now pays.

"I anticipate probably being able to shop around with different insurers and get a better rate," she said.

Starting today, she'll have that chance. The state's rigidly regulated auto insurance system is disappearing. In its place is rising a hybrid system called "managed competition" — not completely regulated, but not entirely unregulated, either.

The change means insurers are rolling out new options, such as discounts for longtime customers or extra coverage for people who frequently drive with their pets. Drivers will still be required to purchase enough insurance to meet certain minimum standards, and insurers will still be barred from using factors such as credit scores to set rates.

For consumers, the changes are unclear. Some could see their rates fall when they go to renew their insurance policies in the months ahead, while others could find they must pay more, insurers and agents said.

The best thing an ordinary driver can do? Get some advice, insurance and financial experts said.

"It might just be good for people to make a telephone call to an agent to ask, 'What are you thinking?' " said Jennifer L. Simes, a certified financial planner in the office of Carl P. Sherr & Co. LLC of Worcester.

How to start? First, remember that you probably don't have to do anything just because the calendar flipped to April. If your auto insurance policy renews in the coming months and you want to start shopping or call your insurance agent, go ahead. Agents and insurers say it's best to start early because the new options will leave you with more to consider.

It might help also to keep your expectations in check. The state Division of Insurance has estimated that drivers with good records could see their 2008 auto insurance premiums drop by 10 percent. But Marianne E. Rogers, president of George M. Rogers

Insurance Agency in Boylston, cautions that the average won't apply to everyone.

"The people who are going to benefit are people who have very good driving records. They have their home and auto (insurance) with the same company. They've been with the company several years," she said.

Next, consider the details.

Insurers and agents say that as consumers renew their policies in the months ahead, they'll have options to buy insurance protection that was previously unavailable in Massachusetts.

"If you were 35 years old, drove a 3-year-old Chevy and lived in Worcester, if you went to all 19 companies in the commonwealth, they would have charged you the same price," said Vincent V. Nieroda, president of Massachusetts personal lines for Worcester-based Hanover Insurance Group Inc. "That is really what has changed. Now, two 35-year-olds with the same car are likely to pay 19 different prices."

Do you get all your insurance — home, life, auto — from one company? Some insurers may offer you a discount. Were you in an accident less than six years ago? Some insurers might forgive you rather than pile penalties on your premium. Does your teenage child get good grades in school (if a young driver is to be included on your insurance policy)? Or does he drive your car less often because he's away at college? That could matter, too.

There's more to it, however, than discounts. Do you own a home? A business? How much protection do you need for the things that matter in your life? With insurance, agents said, one size may not fit all.

"You can buy a book at Amazon, or you can walk down the street and buy the book at Barnes & Noble," said Frank A. Mancini, president and chief executive of the Massachusetts Association of Insurance Agents. "It's the same book, but when you buy insurance for your car or your home or your life, you're protecting something very valuable, and you want to make sure you have the right coverages."

Some insurance agents are tackling this head-on. At The Protector Group in Worcester, agents are reviewing all customers' auto policies as they come up for renewal, said Cheryl L. Hooper, personal lines manager. The agency is also sending surveys to customers to better understand how much insurance they need and whether they might be eligible for discounts.

"There are so many rating variables that companies use to set their rates. Some companies use as much as 200 rating variables," Ms. Hooper said. "One little factor can make such a difference in the rates."

That makes it important for comparison shoppers to make sure the quotes they collect reflect policies that are identical, agents said.

"You don't want to compare apples to oranges. You want to compare apples to apples, because there is so much out there," Ms. Hooper said.

Here's a twist on that: Be prepared for rates and offerings to change more than once a year. Insurers say that's not unusual in states where markets are deregulated.

"The nature of competition is to not be undersold," said Susan K. Scott, senior vice president and general counsel of Travelers of Massachusetts. "If it appears that something in the market is selling well or is attractive to customers, other companies are going to notice that and see if they can provide something even more attractive to customers."

What's attractive to you, however, may not be attractive to your neighbor. Here's where it helps to know what you value, even if that means paying a bit more. Deb Scaringi of Southboro, a marketing consultant, said she learned the value of good service about two weeks ago after a tire fell off a moving car and smashed into her parked vehicle. Her agent and insurer responded well, she said.

"I'd rather pay a little bit more for somebody who's going to treat me respectfully and resolve my problem quickly," Ms. Scaringi said. After bad experiences with other insurers in the past, she said, "Why would I give my money to a company that doesn't care about me?"

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