

Cutting Family Insurance Expenses

Nancy G. Frecks, Extension Educator
Kathy Prochaska-Cue, Extension Family Economist

This guide, one in a series on consumer financial management, helps show how to cut insurance expenses.

Insurance is a necessary expense but there are ways to save money. As you read through the following ideas, check any you want to try.

Insurance in General

- Determine your minimum needs for insurance.
- Compare insurance premium costs on the Internet.
- Contact your company or agent to find lower-cost insurance that will still meet your minimum needs for insurance.
- Check into a different payment plan if you keep the same coverage.
- Check to see how long your present policy remains in effect if you miss a payment. There may be some leeway in payments being due (usually 10-30 days), but check with your insurance company as soon as possible.

Caution: Avoid being insurance poor. But do not let your payments stop unless you and your family are: (1) covered for possible health needs, (2) protected for liability if in a car accident, (3) protected with life insurance if you die. Be sure that assets are protected for casualty losses.

Health Insurance

- Check health insurance policies. Try to avoid overlapping coverage. If you and your family are covered through employment, you may not need other policies.
- Discuss any health care costs with your doctor. If you have medical insurance, know what it covers and what you will be responsible for paying.
- Check to see if any health insurance provided by a former employer is continued and for how long. If coverage is not available, check to see if you qualify for Medicaid.

Life Insurance

- Most people don't need life insurance until they have dependents. Once you do have dependents, reassess the need for life insurance every five years.
- Remember, the basic reason for buying life insurance is to provide income protection for dependents. Life insurance as an investment traditionally does not give good return for the money invested.
- After purchasing a base cash-value insurance policy, cover additional life insurance needs with term life insurance.
- Change your policy to a less expensive form, if possible. An existing policy may allow a change in the type of policy or use dividends to pay premiums.
- Cash value in life insurance policies may be used for emergencies.

Vehicle Insurance

- Save on the premium cost of an older vehicle by decreasing or dropping collision and comprehensive coverage. Always keep legally required liability coverage.
- Compare premium costs. Get all the discounts possible (multi-vehicle family, both vehicle and homeowners' insurance with the same company, good student, etc.)
- Consider higher deductibles.

Property Insurance

- Get a break on your insurance premiums by having vehicle and property insurance from the same company.
- Consider higher deductibles.

This publication has been peer reviewed.

UNL Extension publications are available online at <http://extension.unl.edu/publications>.

**Index: Financial Management
Money Saving Strategies**

Issued February 2009

Extension is a Division of the Institute of Agriculture and Natural Resources at the University of Nebraska–Lincoln cooperating with the Counties and the United States Department of Agriculture.

University of Nebraska–Lincoln Extension educational programs abide with the nondiscrimination policies of the University of Nebraska–Lincoln and the United States Department of Agriculture.