

If I file a claim, will my premium go up?

You may be reluctant to file a claim because you fear that your premium will go up or your insurance will be canceled. Practices vary from company to company. In general, an insurer will increase your premium by specific percentages for each chargeable claim made against your policy above a specific dollar amount. A chargeable claim is one the insurer considers primarily your fault. The percentages and ceilings vary from company to company. These increases generally stay on your premium for three years following the claim.

Your company may also decide not to renew your policy if your driving record gets markedly worse or you have several accidents. Different insurers have different rules about what constitutes an unacceptably bad driving record. But some accidents, such as those caused by drunk driving, will probably trigger a non-renewal from virtually every insurance company.

If you have an accident but don't report it to your insurer, you are taking a risk, even if the damage seems minor. If the other driver sues you weeks or months later, your failure to report the accident might cause your insurer to refuse to honor the policy. And even if they do honor the policy, the delay will certainly make it harder for the insurer to gather evidence to represent you.

Source: *Insurance Information Institute, Inc.* (www.iii.org)