



Choosing an insurance company

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There are many insurance companies, so choosing between them can be a challenge. Here are the main points to keep in mind when selecting an insurance company:

1. Licensing

Not every company is licensed to operate in each state. As a general rule, you should buy from a company licensed in your state, because then you can rely on your state insurance department to help if there's a problem. To find out which companies are licensed in your state, contact the state insurance department.

2. Price

Many companies sell insurance policies and prices vary greatly from one to another, so it really pays to shop around. Get at least three price quotes from companies, agents and from the Internet. Your state insurance department may publish a guide that shows what insurers charge for different policies in various parts of your state.

3. Financial Solidity

You buy insurance to protect you financially and provide peace of mind. Select a company that is likely to be financially sound for many years, by using ratings from independent rating agencies.

4. Service

Your insurance company and its representatives should answer your questions and handle your claims fairly, efficiently and quickly. You can get a feel for whether this is the case by talking to other customers who have used a particular company or agent. You may also want to check a national claims database to see what complaint information it has on a company. Also, your state insurance department will be able to tell you if the insurance company you are considering doing business with had many consumer complaints about its service relative to the number of policies it sold.

5. Comfort

You should feel comfortable with your insurance purchase, whether you buy it from a local agent, directly from the company over the phone, or over the Internet. Make sure that the agent or company will be easy to reach if you have a question or need to file a claim.

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