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FOR IMMEDIATE RELEASE

Fuel Efficient Cars May Also Lower Insurance Costs

MADISON, Wisconsin (September 1, 2005) – As fuel prices continue to sky rocket, Wisconsin drivers are trying to find ways to save money. Some people are using public transportation and carpooling, and others are even trading in their gas guzzlers for more fuel efficient hybrid vehicles. By choosing a more fuel efficient vehicle, you may also save on your insurance.

“Typically, people who are buying the hybrid vehicles tend to have safer driving habits and are more focused on fuel economy,” says Michael Moore, President of the Professional Insurance Agents of Wisconsin (PIAW). “They don’t drive aggressively or mash the accelerator from a stop. As a result, they may be better insurance risks than those who drive more aggressively. Right now, car insurance for hybrid vehicles is about the same price as insurance as a comparable vehicle. As more crash and safety data comes in, we may see rates on hybrid vehicles drop.”

However, there may be an increase in the severity of physical damage claims. When a hybrid car or any car with advanced technology gets into a collision, there is a greater chance of a total loss because many of the components would be too expensive to repair or replace.

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SUV drivers that switch to a more fuel efficient car will not only save on fuel costs, they may also save on their insurance premiums. According to the Insurance Information Institute in

New York, SUV owners tend to pay 10 to 20 percent more than car owners for insurance, depending on driver location, reported claims, credit history, and other outside factors. This is due to the greater potential for liability and medical payments that an SUV will cause in an accident. Pedestrians have a 300 percent higher risk of serious injury if they are hit by a SUV versus a car.

To check the fuel economy of your car, use AAA's new Fuel Cost Calculator. Simply go to www.fuelcostcalculator.com, select an origin and destination, enter the make, year, and model of the vehicle you will be driving, and click "calculate." Results will include the number of miles that will be driven, how many gallons of gas it will take to get there and the total cost of the gas. Fuel prices are based on AAA's Daily Fuel Gauge Report, which can be found at www.fuelgaugereport.com.

When you're traveling, you want to make sure that your car insurance is up to date. You should also be aware of what your policy covers. For more information about car insurance or to locate a PIA member near you, look for the PIA logo or go to www.PIAW.org.

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