

Auto Insurance and Leasing

When leasing a car, it's easier to stick with the same company for your auto insurance. What you don't know, however, is that you may end up paying too much for your coverage and it's better to look elsewhere for lower rates.

When you lease, the vehicle that you will drive belongs to the leasing company. They want to make sure that their investment is covered in the event the vehicle gets damaged, totalled or stolen. They typically want to get covered for the difference between what your auto-insurer pays and your outstanding leasing obligations at the time of the accident or damage. This is called GAP, short for Guaranteed Auto Protection, and is usually included in the leasing contract.

If your leasing company is called BMW Financial Services, Chrysler Financial or any other finance division of an automaker, then chances are your GAP insurance will be offered by the same lease company.

You are under no obligation to accept GAP insurance included as part of your lease agreement. Why pay an insurance premium if you could get the same coverage for a lower price?

Invest some time shopping by comparing quotes from other insurance companies, including your existing one. Ask for discounts that you already qualify for and adjust your coverage accordingly.

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