

Don't Count on Low Mileage for an Insurance Break

Many people assume that they get a discount on their auto insurance if they drive just a few thousand miles a year. But depending on which insurance company you use, that's not necessarily true.

A study conducted by the Consumer Federation of America obtained multiple quotes in a dozen cities from the websites of five major auto insurance companies. Quotes were based on identical criteria except for one variable—the number of miles driven annually, which ranged from 2,500 to 22,500. *Results:* Outside of California, where

state law requires all insurers to heavily weigh mileage in setting premiums, quotes from Progressive and Farmers typically did not vary at all based on miles driven, while very-low-mileage discounts from other insurers averaged 6%, or \$102. Geico's discount averaged 8%...Allstate's, 11%...and State Farm's, 13%. Some insurers say that they don't use mileage driven as a factor because drivers often provide incorrect estimates. Because of the California State requirement, very-low-mileage drivers in Los Angeles saw an average discount of 30%, or \$346, across all insurers.

What to do: If you currently drive very little or expect a major drop-off, possibly because of a change in jobs or retirement, ask your insurer whether it will offer you a significant discount. If it won't, shop around to see whether your low mileage helps get you a better deal elsewhere.

Bottom Line Personal interviewed Douglas Heller, insurance consultant for the Washington, DC-based Consumer Federation of America. He conducted the low-mileage study, which can be found at ConsumerFed.org (search for "low-mileage driver").



How to...

Make Sure a Charter Airline Is Safe

Ladd Sanger Slack & Davis

The impressive safety record of commercial airlines has made travelers feel much more secure about flying. But that reputation doesn't always carry over to all kinds of flights. It pays to be cautious about boarding charter flights—there's a broad spectrum of aircraft and operators out there, and in many parts of the world, government oversight is minimal.



possible, opt for a twin-engine jet over a twin-engine prop plane. In many parts of the world, including the US, charter-jet pilots are subjected to more rigorous training requirements than prop-plane pilots.

Even in the US, charter air travel is significantly less safe than regularly scheduled commercial flights. *Example:* In late 2016, the National Transportation Safety Board reported that a "litany of failures" by an air-charter company were to blame for a 2015 crash that killed nine people in Akron, Ohio.

To assess whether a US-based charter company is following safe protocols...

Ask, "Are you the operator of the aircraft? Can I see your 'Part 135' certificate?" Some companies that present themselves as air-charter services actually are brokers that hire charter services as needed, which makes it tricky for travelers to know who they are trusting with their lives. A legitimate air-charter operator should have an FAA-issued Part 135 certificate, indicating that it follows strict FAA safety and training rules governing

charter and air-taxi operations.

Ask to see the operator's facilities. A legitimate air-charter company based out of a local airport should have its own facilities at that airport where it can meet passengers and conduct its business.

Ask to see a copy of the company's insurance declaration. A charter operator flying jets should have at least \$10 million in liability coverage in case of bodily injury or property damage. The policy should be for commercial operations and not limited to "business and pleasure." A multimillion-dollar policy may be indicative of good practices as required by the insurance company. A smaller amount of insurance—perhaps as little as a few million dollars—is reasonable if the company flies only prop planes.

Ask, "What safety certifications do you have?" Aviation Research Group/US (ARG/US for short, ARGUS.aero) and Wyvern (WyvernLtd.com) are among the respected organizations that offer safety auditing of air-charter companies. Having a certification from one or both signals that a charter operator goes above and beyond basic safety requirements. *Helpful:* You can search for ARG/US-rated charter companies at AirCharterGuide.com/ArgusRated.

Bottom Line Personal interviewed Ladd Sanger, an aviation attorney who is managing partner of the Dallas office of law firm Slack & Davis. He also is an FAA-licensed commercial pilot. SlackDavis.com



Photo of charter jet: iStock.com/sierrarat