"Payment Protection Rates vs. Auto Loan Rates"

Historically, auto loan rates are volatile based on a number of factors. If you weren't in the financial services industry in 2008 and 2009, you may not be aware of the financial crisis that swept America then. The Federal Reserve and other financial authorities intentionally drove prices down to promote auto sales and car manufacturers offered special rates to lure buyers.

Since then, average car loan interest rates have ***steadily crept back up***. *In March of 2014, the annual percentage rate (APR) on a new vehicle loan was 4.44%; whereas, the APR on a used vehicle loan was 8.03%. By March of 2018, new vehicle loans had risen over 1% to 5.66%. Used vehicle loans went up by more than .05% to 8.69%.

As of March 2019, new vehicle loans had gone up to 6.36%. Interest on used vehicle loans also went up, ending at 9.5%.

As mentioned, there are many factors that affect the rise in auto rates just as an individual's personal financial health affects their auto loan rate. As a financial services provider, you can't control what the Federal Reserve or what a customer does that impacts their auto loan rates; however, how does this information apply to Payment Protection rates?

Let's review the premium cost of Payment Protection:

1. Payment Protection rates ***have not increased over the past 26 years***.
2. Payment Protection rate per $1,000 (or) per $100 does not increase based on fluctuating lending rates.
3. Payment Protection rates are not based on age, occupation, or health.
4. Payment Protection coverage eligibility is based on age and answering a "simple" health question (if applicable).
5. Payment Protection rates are group rates; whereas, everyone pays the same.
6. Maximum Payment Protection terms and dollar loan amounts are applied.
7. Coverage is specific for the loan amount (never over/under insured).

*www.quickencompare.com