

Myth No. 1: Red cars are the most expensive to insure.

Fact: Red will not cost you more green. Roughly 25% of drivers surveyed by Progressive Insurance believe car color is a factor in determining insurance rates -- especially if a car is red. But insurance companies will likely not even ask about the color of your car when they're calculating your quote.

"The idea that the color of a car enters into what you're going to pay for insurance is a myth that's been around for a long time," says Jeff McCollum, a spokesman for State Farm Insurance. "I wouldn't be surprised if it came from the fact that people with red sports cars have the image of being wild and reckless, but it certainly isn't based on any type of reality."

Insurers are interested in the year, make, model, body type, engine size and age of your vehicle. The color may be important to you, but it really doesn't matter to your insurance company

Myth No. 2: Thieves are more likely to steal new cars.

Fact: It's the other way around. Statistics indicate that thieves actually tend to steal older cars. According to a National Insurance Crime Bureau report, the top 10 most-stolen vehicles reported in 2007 were the [1995 Honda Civic](#), [1991 Honda Accord](#), [1989 Toyota Camry](#), [1997 Ford F-150 pickup](#), [1994 Chevrolet C/K 1500 pickup](#), [1994 Acura Integra](#), [2004 Dodge Ram pickup](#), [1994 Nissan Sentra](#), [1988 Toyota pickup](#) and [2007 Toyota Corolla](#).

"The reason we see so many older vehicles on the list is because they are easier to steal," says Frank Scafidi, a bureau spokesman. "Also, people are keeping their cars longer (in the faltering economy). That creates a good market for used parts. A lot of times, when they are stolen, they don't make it back on the street intact."

The insurance bureau's report suggests that thieves have different preferences from state to state. Crooks in California and Florida are more likely to take Hondas, Toyotas and other imports. Thieves in Texas tend to grab pickup trucks. Criminals in Illinois, Indiana and Michigan steal more domestics, especially Dodges and Fords.

If you have an older vehicle and have dropped comprehensive coverage to save money, you are not covered for theft and do not qualify for rental car coverage.

Myth No. 3: My insurance will cover me if my car is stolen, vandalized or damaged by hail or fire.

Fact: Unless you have comprehensive coverage, you are not covered for any of these things. A bare-bones policy in most states requires only that you buy liability coverage. This pays only for damage you cause to others. You need to purchase both collision and comprehensive coverage in order to fully protect your vehicle from all types of damage.

Comprehensive coverage pays for damage to your car that is not the result of a car accident. That includes theft, vandalism, hail, fires and accidents involving animals. Collision coverage pays for damage to your vehicle from a car accident.

Myth No. 4: If my car is totaled, my insurance will pay off what I owe on my loan or lease.

Fact: When your car is totaled, your policy does not promise to pay off what you owe. It will pay you the actual cash value of your car, minus your deductible. Actual cash value is the amount your car was worth before the accident, factoring in depreciation. You are still responsible for any amount outstanding on the loan or car lease.

The only way to cover the difference between the car's cash value and the amount you owe on a loan is to [purchase gap insurance](#). Available to cover both auto leases and loans, gap insurance covers you if your car is totaled before you've paid your loan or before your lease term expires. Buying the coverage could save you some grief.

Your insurer will decide whether your car is totaled. Generally, a total loss is declared when the repair costs would exceed a certain threshold of the car's value, generally 70%. At that point, the insurance company will tow your car to a salvage yard and offer you the actual cash value of the vehicle.

Myth No. 5: My insurance company will pay for a rental car if my car is stolen or damaged in an accident.

Fact: Even if you have comprehensive and collision coverage, it may not include a rental car. Rental car reimbursement is not automatically included in most insurance policies, but you can add it at an affordable cost. According to the Insurance Information Institute, rental reimbursement coverage is available for \$1 to \$2 a month with most insurers.

Even if you have this coverage, it won't necessarily last until your stolen car is recovered or your damaged car is fixed. There's a limit on how much your insurance company will reimburse you per day, plus a cap for a maximum amount per accident. For example, Geico charges \$20 a year for a maximum \$750 in rental reimbursement, with no deductible to pay. In this case, Geico would reimburse you up to \$25 a day but no more than \$750 per accident.

Myth No. 6: Drivers of sports cars get more tickets and thus pay higher insurance premiums.

Fact: That's not necessarily the case. According to a study released in 2009 by Quality Planning, leading the pack with the most violations are drivers of the [Hummer H2/H3](#). Hummer drivers have almost five times the average number of violations. Drivers of [three Scion models](#) (tC, XB Station, XA) also made the top 10 list. Others on the list include drivers of two [Mercedes-Benz](#) models (CLK63 AMG, CLS63 AMG), two [Toyotas](#) (Solara, Matrix), the [Subaru Outback station wagon](#) and the [Audi A4](#).

At the other end of the spectrum, the study also included a "well-behaved vehicle list." Topping that list were drivers of the [Jaguar XJ](#), followed by the [Chevrolet Suburban](#), [Chevrolet Tahoe](#), [Chevrolet C/K-3500/2500](#), [Buick Park Avenue](#), [Mazda6](#), [Buick Rainier](#), [Oldsmobile Silhouette](#), [Buick Lucerne](#) and [GMC Sierra C1500 pickup](#).