

Crash Course In Auto Insurance: I.I.I. Provides Tips to Make Sure You Are Fully Protected

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? Even if you are the best driver in the world, accidents do happen. You could be the victim of a hit-and-run driver, a deer could dart in front of your car resulting in a crash, or a tree could fall and crush your car during a windstorm, according to the Insurance Information Institute (I.I.I.).

Most states require car owners to buy a minimum amount of bodily injury and property damage liability insurance before they can legally drive their cars. All states have financial responsibility laws, which means that people involved in an automobile accident are required to furnish proof of financial responsibility up to a certain amount. To comply with these laws, most drivers purchase auto liability insurance.

?While following state laws means that you are driving legally it may not provide enough insurance protection to protect yourself financially,? said Jeanne M. Salvatore, senior vice president and consumer spokesperson for the I.I.I. ?That is why drivers need both the right amount and type of auto insurance for their specific situation.?

When buying auto insurance it is important to get enough liability insurance to protect your home and assets. The insurance industry and consumer groups generally recommend a minimum of \$100,000 of bodily injury protection per person and \$300,000 per accident as, if you do get involved in an accident, the costs may well exceed the minimum limits mandated by most states.

In addition to having enough liability protection, there are some other coverages you should consider:

- **Collision:** Pays for damage to your car resulting from a collision with another car, an object or as a result of flipping over. It also covers damage caused by potholes. Even if you are at fault for the accident, your collision coverage will reimburse you for the costs of repairing your car, minus the deductible. If you are not at fault, your insurance company may try to recover the amount they paid out from the other driver?s insurance company through a process called subrogation. If the company is successful, you will be reimbursed for the deductible.
- **Comprehensive:** Reimburses you for loss due to theft or damage caused by something other than a collision with another car or object, such as fire, falling objects, missiles, explosion, earthquake, windstorm, hail, flood, vandalism, riot, or contact with animals such as birds or deer. Comprehensive insurance will also reimburse you if your windshield is cracked or shattered; some companies may waive the deductible on the glass portion of this coverage.
- **Uninsured and Underinsured Motorist Coverage:** Reimburses you, a member of your family, or a

designated driver if one of you is hit by an uninsured or hit-and-run driver. Underinsured motorist coverage comes into play when an at-fault driver has insufficient insurance to pay for your total loss. These coverages are required in 19 states, but available in all. It is important to purchase the same amount of coverage for uninsured/underinsured motorists as you have for liability to others.

Last, but not least, being without a car while yours is being repaired can be inconvenient and expensive. For such situations, you may want to purchase optional rental car reimbursement:

- **Rental Reimbursement:** Reimburses you for the cost of renting another car while yours is being repaired. This is an inexpensive but often overlooked option?one year of rental reimbursement coverage can be less expensive than a one-day car rental. On average, cars are in the repair shop for two weeks after an accident, so the savings can be significant. Even if the accident is another insured driver?s fault, if you have your own rental reimbursement coverage, you do not have to wait for the other insurance company to authorize a replacement rental car.

If your car is financed, your lender may require comprehensive and collision insurance as part of the loan agreement.

?Everyone should take the time to review their policy by reading it and asking their insurance agent or company representative for assistance if necessary,? said Salvatore. ?It is important that you understand what is and is not covered by your policy, as well as how much insurance protection you have.?

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