

Drive Cautiously...But Carry Ample Auto Insurance

January is a good time to review your insurance coverage. In particular, you should be sure you have adequate auto insurance if you own or lease one or more cars.

Reviewing your current policy might not be simple. You likely will find terms such as bodily damage liability, property damage liability, collision, comprehensive, personal injury protection, and underinsured motorist coverage. Primarily, you should look for substantial liability protection, in case you or a family member is in an accident, and financial coverage for potential damage to your vehicle.

Cover Your Assets

Liability coverage is designed to pay for expenses relating to personal injury or property damage from an auto accident. Some states might require an auto insurance policy to have a minimum of \$25,000 for liability coverage. However, if your policy's liability insurance limit is relatively low, you could, if successfully sued, be liable for any greater damages.

Therefore, you might prefer a policy with bodily injury protection of at least \$100,000 per person and \$300,000 per accident. You also should consider an excess liability (umbrella) policy to protect you from potentially larger claims.

Damage Control

Considering how much it costs to buy or lease a vehicle today, plus the possible cost of repairing any damage, you probably should have collision and comprehensive coverage, as well. The former pays for damages to your own car; the latter may cover theft or non-collision damages, such as repairs after a storm.

One issue here is the deductible amount that you will pay before the insurance takes effect. The higher the deductible you choose, the lower your premiums, but the greater the exposure you will have if you file a claim. Our office can help you evaluate the trade-off between lower premiums and more potential repair costs.

With any type of auto insurance deductible, discounts might be available to drivers with safe records and families with students who have good grades. You also may save money if you use the same company for home insurance as well as your auto insurance.

Be Prepared

Having proof of auto insurance coverage whenever you're driving is very important. You should always keep a copy of your insurance card and the contact information of your insurer or agent in the vehicle.

Preparation also can include driving with some way to easily record details of a possible accident. The National Association of Insurance Commissioners has developed WreckCheck, a program designed to guide drivers through the process of documenting relevant details, taking photos, and deciding which personal information to share with others. The accident report that is created can then be emailed to your insurance agent.