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Knowing What Is Covered

Ask up front what is covered - do not assume. The worst time to find out something is not covered is when you need it most.

Auto insurance usually includes several basic types of coverage. Some of the more common are below:

Liability – Liability coverage provides a fixed dollar amount for damages that you are legally obligated to pay due to an accident. This will typically cover the other person's car and medical expenses. It also covers property that your car may have damaged in an accident.

Uninsured/Underinsured Motorist – This type of insurance coverage pays for bodily injuries for which an uninsured motorist or hit-and-run driver is responsible. You and your family are covered as drivers, passengers, and pedestrians. Other passengers in your car are also covered.

Comprehensive – Comprehensive insurance provides coverage for your vehicle that is damaged by incidents that are not considered collisions. These events include fire, theft, vandalism, hail, and impacts with animals.

Collision – This type of insurance pays for damages to your car caused by collision with a vehicle or other object. This coverage is designed to provide payments to repair your damaged vehicle or provide the payment of the cash value if the car is not repairable or totaled.

Loan/Lease Payoff – These are also called GAP waivers. If you purchase a new car, the value of the car sharply declines as soon as you drive the vehicle off the sales lot. If you finance the car, there is generally a period in which the amount owed on the car loan is greater than the value of the car. If the vehicle is wrecked or stolen at this point, the insurance payout would be less than the money still owed on the loan. GAP waivers will pay the difference.

Emergency Roadside Assistance – This coverage typically only adds a few dollars to your premium each month and provides assistance if you lock your keys in your car, run out of gas, have a dead battery, or get a flat tire. The insurance also provides for towing if your car breaks down. This type of insurance can be crucial if you have an older vehicle that might break down.



When you get in an accident, have the insurance send someone to look at your car right away.

Premiums for auto insurance vary and depend on factors determined by the insurance industry. Your age and driving experience, your driving record, and the year and model of your car affect the price you will pay for insurance. There are certain models of cars that get cheaper auto insurance. Minivans and station wagons have lower repair costs and less theft history so their

