

CASE IN POINT:

Your Auto Insurance Shopping Checklist

12 Things to Consider
Before You Buy

RIGHTSURE

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Each state establishes its own minimum requirements for auto insurance. To drive legally, you need to meet these minimum requirements. However, if that's all the insurance you have, you might find that you don't have enough coverage when things go wrong. You might even find yourself stranded without a working vehicle.

Sometimes less is more – but sometimes it's a risky compromise.

When comparing auto insurance quotes, there's a lot more to consider than just the monthly premium. Here's a look at what you need to check for before you purchase coverage.

1 Bodily Insurance & Property Damage Liability

If you cause a crash, you will be responsible for the injuries, death and property damage experienced by the other parties involved in the crash. State law typically requires drivers to carry bodily injury and property damage liability insurance to prove that they can pay for any damages and injuries they cause. This insurance provides coverage for lawsuits, court costs and legal fees.



Your state will set a minimum amount of coverage that must be maintained. This amount is usually expressed as three figures:

- The first figure is the amount of bodily injury coverage for one person injured or killed in an incident.
- The second figure is the amount of bodily injury coverage per incident with two or more people injured or killed.
- The third figure is the amount of property damage coverage.

For example, if your state requires \$25,000/\$50,000/\$25,000, you need to carry \$25,000 in bodily injury coverage per person, \$50,000 in bodily injury coverage per incident and \$25,000 in property damage. Your state may have higher or lower minimum limits.

However, don't automatically go with the lowest limit allowed under state law. If you cause an accident with damages that exceed your insurance limits, you could be financially responsible for the difference. If you have assets to protect – such as savings and real estate – consider protecting your assets with higher insurance limits.

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2 Medical Payments

Liability insurance provides coverage for third parties who are injured or experience property damage, but it doesn't provide coverage for you or your passengers. If you cause a crash, you may need expensive medical care. Your passengers may also need care.

Medical Payments coverage provides coverage for reasonable medical expenses that result from a crash. It protects all passengers in your vehicle. It may also provide protection for covered individuals while they are riding in another vehicle or if they are struck by a vehicle.



3 Comprehensive and Collision Insurance

Just as with bodily injury, liability coverage protects other parties involved in a crash that you cause, but it does not provide coverage for any property damage you suffer. It doesn't provide coverage for other things that can happen to your car, such as theft or flooding. For this, you need Comprehensive and Collision coverage.

Collision insurance provides coverage for damage to your vehicle that occurs during a collision with another vehicle or another object. It also covers damage by upset – for example, if your car is in a rollover accident. Comprehensive insurance covers damage or loss resulting from many other perils, including collision with animals, theft, vandalism and weather events.

If you have financed your vehicle, your lender will typically require Comprehensive and Collision insurance for the life of your loan.



4 Uninsured and Underinsured Motorist Coverage

Although all drivers are required to meet their state's minimum insurance requirements, including liability coverage, many drivers fail to maintain coverage. If you are hit by one of these uninsured drivers, you may not be able to receive compensation for any bodily injuries or property damage experienced. Even if you file a lawsuit, if the driver does not have any assets, you will likely be unsuccessful in recuperating your losses.



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Underinsurance is another problem. For example, let's say you have a new vehicle that is worth \$30,000, but your state only requires \$5,000 in property damage coverage. Many drivers only carry the minimum insurance required. If one of these drivers hits you, the insurance will only pay out \$5,000. Once again, you can sue the driver for compensation, but if the driver does not have any assets, you may not be able to recuperate your losses.

Uninsured motorist coverage and underinsured motorist coverage provide solutions to these problems. Coverage is so important that many states require insurance companies to offer uninsured motorist coverage.

5 Rental Reimbursement

Car repairs can take a while. In the meantime, you may be left without a vehicle – a major problem if, like most people, you depend on your car to get to work, drive your kids around and run errands.

Rental reimbursement pays a specified amount for rental car expenses. This optional coverage may be part of your Comprehensive and Collision coverage and may only be available when your insurance company is paying for repairs after you've filed a Comprehensive and Collision insurance claim.



6 Towing & Labor

After a crash, your vehicle may not be safe to drive. In this case, you'll need to have it towed to a mechanic for repairs. This can cost hundreds of dollars. You may also need to have your vehicle towed if it breaks down, and you may need roadside service if you experience an unexpected breakdown.

Towing & Labor coverage pays for necessary towing costs, as well as labor that may be needed on the side of the road. Parts – such as replacement batteries and tires – are typically not covered. Limits and covered services will vary, so check your policy for details.



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7 Safety Glass Option

A broken windshield is a dangerous hazard. It can also be expensive to repair. The Safety Glass Option is an optional addition to Comprehensive coverage, and it covers the repair or replacement of glass in the windshield, doors, windows and lights.



8 Ridesharing Coverage

Private auto insurance typically excludes commercial activities. If you use your personal vehicle for ridesharing, your private auto insurance policies will not cover you. The ridesharing company you drive for may provide coverage. However, check to see if there are any gaps in coverage. For example, the company may provide coverage when you have passengers in your vehicle but not when you are driving to pick them up.



If you use your vehicle for ridesharing, see if you can purchase a separate policy or endorsement that provides coverage. Also look into appropriate coverage for other gigs that involve driving, such as carsharing or delivery services.

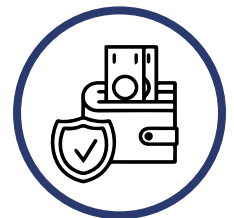
9 Special/Custom Parts of Equipment Coverage

Your car may include custom or special parts that are expensive to repair or replace, such as special paint or expensive stereo systems. These parts may not be covered in a typical policy. If your vehicle has been customized with expensive features, talk to your insurance agent about coverage options.



10 The Deductible

When looking at insurance costs, many people focus on the premium that they pay to purchase coverage. However, it's also important to consider the deductible. The deductible is the amount that you will have to pay out of pocket before the insurance company pays its portion after a claim is filed.



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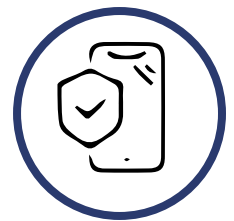
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For example, let's say you have a \$500 deductible on liability coverage. You cause a crash, and a claim is filed with your insurer. The claim is covered, but you have to pay \$500 out of pocket.

Make sure your deductible is affordable for you. Otherwise, you will run into financial problems any time you need to use your coverage.

11 Available Discounts

You want good coverage that will protect you in case you need to file a claim, but you don't want to pay more than necessary. When comparing auto insurance policies, check for any available discounts. Common discounts include safe driver discounts and good student discounts. You may also qualify for a discount if you agree to use a telematics app so the insurer can monitor your driving habits.



12 Choice

When you buy a new car, you usually check inventory, prices and options from more than one dealer. The same concept applies to shopping for insurance. Some insurance agents only represent one brand of car insurance. Others, known as independent agencies, provide you with access to multiple carriers. Each carrier offers different rates, coverage and discounts by state. So, it's important to look at options from multiple carriers to identify the best fit for you. This may sound time consuming, but fortunately independent insurance agencies do all the research for you.



About RightSure Insurance Group

Headquartered in Tucson, Arizona, RightSure Insurance Group is a full-service independent insurance agency providing insurance products to families and businesses in 42 states. By using a unique, client-centered approach combined with superior technology, RightSure presents clients with a wide range of insurance options and a seamless purchasing process.

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