



Frequently Asked Questions About Auto Insurance

Do I need auto insurance?

If you own or lease a car, you need auto insurance. It's the law. If you rent a car and do not have your own policy, you can purchase insurance for the duration of the rental through the rental company.

How much insurance do I need?

Almost every state requires you to buy a minimum amount of liability coverage. Chances are that you will need more liability insurance than the state requires because accidents cost more than the minimum limits. Many experts recommend that you have \$100,000 of bodily injury protection per person and \$300,000 per accident. If your net worth is more than \$300,000, consider buying additional liability insurance.

What is covered in a basic auto policy?

1. **Bodily Injury:** Expenses related to injuries that you, the designated driver or policyholder, cause to someone else.
2. **Personal Injury:** Expenses related to injuries to the driver and passengers of the policyholder's car.
3. **Property Damage Liability:** Damage you (or someone driving the car with your permission) may cause to someone else's property.
4. **Collision:** Damage to your car resulting from a collision with another car, object or as a result of flipping over.
5. **Comprehensive:** Loss due to theft or damage caused by something other than a collision with another car or object, such as fire, falling objects, explosion, earthquake, windstorm, hail, flood, vandalism, riot, or contact with animals such as birds or deer.
6. **Uninsured and Underinsured Motorist Coverage:** This coverage will reimburse you, a member of your family, or a designated driver if one of you is hit by an uninsured, underinsured or hit-and-run driver.

If I file a claim, will my premium go up?

Practices vary from company to company. In general, an insurer will increase your premium by specific percentages for each chargeable claim made against your policy above a specific dollar amount. A chargeable claim is one the insurer considers primarily your fault. Your company may also decide not to renew your policy if your driving record gets markedly worse or you have several accidents.

If you have an accident but don't report it to your insurer, you are taking a risk, even if the damage seems minor. If the other driver sues you weeks or months later, your failure to report the accident might cause your insurer to refuse to honor the policy.

Can my insurance company require me to use certain types of auto repair parts?

Your insurance company can't require you to use only certain kinds of auto repair parts. However, if the insurance company's rates are based on a certain type of part and you want something different, the insurer can ask you to pay the difference if the part you want is more expensive.

Where can I buy insurance?

You can buy insurance through your local insurance agent and through insurance companies that sell through their own employees, over the phone, by mail and over the Internet.

