

Personal Auto

Understand the common types of auto coverage and get the insurance you want, to fit your budget.

Liability Coverage. ...
Collision Coverage. ...
Comprehensive Coverage. ...
Uninsured/Underinsured Motorist Coverage. ...
Medical Payments. ...
Personal Injury Protection (PIP)

Liability Coverage -

Auto liability insurance covers the damage to other vehicles and injuries to other people that result from an accident caused by the insured individual.

Liability insurance does *not* cover damage to your own vehicle if you are at-fault in an accident, you need collision and comprehensive coverage to pay for those damages. Nor does liability insurance reimburse you for medical expenses if you are at-fault in an accident, your personal health insurance plan may be able to cover unreimbursed medical costs. It also does *not* cover claims that exceed the limits of your coverage, and it may not extend to legal defense exceeding your policy limits. Higher liability limits can help you to avoid paying out-of-pocket when damages exceed minimum limits, and an umbrella policy can offer limits of \$1 million or more once your auto insurance limits are reached.

There are two kinds of liability coverage:

- 1. Bodily injury coverage**-Bodily injury liability, which covers medical costs, funeral expenses, lost income and pain and suffering of people injured by you.
- 2. Property damage coverage**-Property liability, which reimburses accident victims for the repair or replacement of belongings damaged by you. This covers both someone else's car and property; for instance, if you hit a sign or house.

Both types of liability insurance cover you only up to your limits, and that is why it's important to make sure you buy enough coverage for the protection you need. Use our coverage calculator to find a recommended liability coverage level.

Collision

Collision Car Insurance: What is Collision Coverage?

Collision car insurance refers to protection for your car when it is involved in a crash with another vehicle or a stationary object. Most car crashes and auto accidents fall under this kind of insurance policy. The types of damages include crashing into another vehicle, another vehicle colliding with yours, or ramming into a streetlight, pole, or some other stationary object. It'll cover the cost of repairs or replacements to your own car (liability coverage and insurance takes care of damages to other people's property).

Do I Need Collision Insurance?

We recommend people have collision insurance if the value of the premiums paid in five years are greater than the current value of your car. If you are paying an extra \$600 per year for collision insurance, you would spend \$3,000 in five years. If your car is worth less than \$3,000 currently, it will be worth even less in five years, meaning you would have spent more on insurance than the value of the car. When you shop for car insurance you will be able to see how much each part of the policy costs, including the collision. Once you have both values figured out you can determine whether collision insurance will be worth it. If you have a leased or financed car, we would always recommend collision insurance, as well as gap insurance.

Comprehensive

What is Comprehensive Coverage?

Comprehensive car insurance is usually overshadowed by its better known cousin, collision insurance, but it's just as important. Otherwise known as "other than collision" or "comprehensive coverage", the phrase is a bit of a misnomer. It actually doesn't give you complete coverage, contrary to what its name might indicate. Comprehensive car insurance really just covers damages to your vehicle not caused by a collision, and car owners can be surprised by how much this can encompass. Read below for examples of damages, and an evaluation of whether you need comprehensive insurance for your vehicle.

Types of Damages Covered Under Comprehensive Auto Insurance

Below are a couple examples of accidents and mishaps other than fender-benders:

- Natural disasters: storms, tornadoes, hurricanes, earthquakes, hailstorms
- Fire, civil commotions, explosions
- Vandalism and theft
- Damage from impacts with animals (deer, etc.); note: a crash from swerving to avoid animals will likely fall under collision
- Broken / shattered windows and windshield
- Falling objects
- Terrorism
- Acts of God

What is the Difference between Collision & Comprehensive?

The key difference in collision vs. comprehensive coverage is to a certain extent the element of the car driver's control. Collision insurance will typically cover events within a motorist's control, or when another vehicle collides with your car. Comprehensive coverage generally falls under "acts of God or nature", that are typically out of your control when driving - a spooked deer, a heavy hailstorm, a carjacking, etc.

Similarities

Both comprehensive and collision insurance cover damage to your own vehicle.

You don't have to choose a coverage limit. The coverage limit is the actual cash value of your car

When your car is damaged, both generally have a deductible you will be responsible for. Your insurance company will offer a range of deductibles for comprehensive and collision policies. Choosing a higher deductible will lower the cost of your premiums, but with a higher deductible, you will be responsible for more of the cost if you file a claim.

Insurance companies typically offer comprehensive and collision packaged together, although they can also be bought separately. Some insurance providers will require the purchase of comprehensive coverage before you can buy collision coverage, but not vice versa. Both are optional under state laws. However, if your car is financed, your lender or leasing company will likely require you to purchase both types of coverage.

Differences

The main difference between comprehensive and collision insurance is the damage they cover. A good rule of thumb to remember is that collision covers drivers when they are in an accident with another vehicle or they hit an object, and comprehensive covers drivers against events that are outside of their or another driver's control.

Collision coverage premiums are more expensive, costing as much as three times more than comprehensive coverage.

Uninsured/Underinsured

Uninsured motorist coverage protects you if an at-fault driver doesn't have insurance, and cannot pay for property damage or bodily injury caused in the accident. Underinsured motorist coverage protects you if an at-fault driver has insurance, but their limits are not high enough to cover the accident.

Medical Payments

Medical payments coverage generally pays for medical costs after you are hurt in a car accident, **regardless of who is found at fault** for the accident.

Additionally, medical payments insurance may help pay for:

Funeral expenses.

Injuries sustained by your passengers.

Injuries you sustain as a pedestrian or bicyclist after a car hits you.

Necessary dental care as a result of a car accident.

Benefits and restrictions of medical payments coverage will differ among car insurance companies.

Make sure that when you are comparison-shopping for your car insurance, you speak with an insurance agent from the company to fully understand the details of their medical payments coverage.

Personal Injury (PIP)

PIP (short for Personal Injury Protection) is the portion of a car insurance policy that provides medical expense and work loss coverage for you and your passengers after a car accident, regardless of fault. PIP coverage is often a requirement in "No Fault" states since it pays first for your injuries, no matter who caused the accident.

You might choose PIP insurance if....

You drive around with lots of passengers in your vehicle who could hold you responsible for their injuries in an accident.

You don't have a great health insurance plan. Often, having great health insurance renders PIP/medical coverage far less useful. If in doubt, check with your healthcare provider.