

AUTO INSIGHTS

Auto and driver risk management tips provided by: The Insurance Exchange

Did You Know?

Insurance is mandatory in order to operate a vehicle in the United States, and every state has specific coverage limits that you must meet. While meeting these minimum limits may be enough to get you on the road, they are often inadequate if you are involved in a serious accident. As such, you may want to consider raising your limits in order to secure the right protection.

THE BENEFITS OF RAISING YOUR LIMITS

The Problem with Minimum Coverage

Most states require drivers to carry basic liability coverage, which pays for injury and property damages if you are found at fault following an accident. These limits vary by state but can be as low as \$10,000 per person or \$20,000 per accident.

If you get into an accident, there's a chance you could be sued. When this happens, minimum liability coverage may not be sufficient to cover the damages, and you could end up paying thousands of dollars out of your own pocket.

What's more, if you cause an accident and your liability limits are too low to cover the expenses, the other party might go after your assets in court. To protect yourself, it's important to think critically about how much coverage you need and to secure the proper limits.

How Much Auto Insurance Should I Carry?

While it can be tempting to simply pay the lowest amount possible for auto insurance, doing so can leave you exposed to serious financial risks. In general, it's recommended that you carry more than the minimum coverage unless you are driving an older car with little value and have no assets to protect.

The higher you set your coverage limits and the lower you set your deductibles, the less you'll pay out of pocket after a claim. You will need to determine how much you can comfortably afford when setting your coverage limits and deductibles.

Raising your limits and paying a little more each month will allow you to get the most out of your investment.

Customize Your Policy

When it comes to auto insurance, you have many options. Contact your insurance broker today. They will be able to discuss different ways to customize auto insurance policies, including adjusting collision, comprehensive, medical expenses, uninsured motorist and no-fault coverage. They can also recommend specific policy limits given your situation.

The Insurance Exchange

<http://www.tie-inc.com>
301-279-5500

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