

Feel lost when you're buying auto insurance?

It can require a high-tech navigation system just to find your final destination: the right protection for you and your family. You also likely need to recalculate your road map because car insurance laws have added some detours in recent years that may affect your route—and your pocketbook.

So, set your GPS and let's get started.



Map My Route: Med Pay

When deciding whether to purchase med pay or how much, consider...

...what and how much your health insurance policy already covers.

...med pay may cover health insurance co-pays and deductibles.

...the convenience of having your own auto insurance company pay medical bills while you work out a final settlement with an at-fault driver.

...if you don't have health insurance, med pay can pay for your medical bills even when you cause the accident.

Ways to Save

Assess your deductible. Deductibles represent the amount of money paid out-of-pocket before insurance pays a claim. You can lower your insurance costs by selecting higher deductibles on collision and comprehensive coverage.

Check your vehicle's safety and security rating. Before you buy a new or used car, look into insurance costs. Many companies offer a discount for vehicles with higher safety and crash test ratings. Cars that are expensive to repair or are favorite targets for thieves are more costly to insure.

Buy vehicles with safety devices. You may be able to take advantage of discounts on some types of coverage if you have automatic seat belts, airbags or anti-lock brakes.

Take advantage of good credit. Many companies offer better rates to customers who have good credit histories. Find out if you can save money with a good insurance score.

Check out defensive driving and driver education courses. Some insurers provide discounts if drivers brush up on their skills. Teenagers may also receive discounts for taking a certified training course.

Inquire about other discounts. For example, some insurers offer discounts for multiple policies (home, auto, multiple cars), no accidents in three years, drivers over 50 years of age, driver training courses, anti-theft devices and good grades.

Comparison shop. But, don't shop for price alone. Talk to a number of insurers about what they offer and what they would do to lower your costs. Don't forget to ask about their claims service.

Your Colorado Car Insurance GPS



Final Destination:
Smart Personal &
Financial Choices


ROCKY MOUNTAIN
INSURANCE INFORMATION ASSOCIATION
www.rmiia.org
(303) 790-0216 or 1-800-355-9524

Policy Components

Think of your auto insurance policy as six separate policies. Some types of coverage are required by state law, depending on where you live. Others are optional. Consider each one and ask yourself how much you need. Each type of coverage has its own premium. Add them up and you've got the price of your auto insurance policy. Subtract the ones you may not need and you gain some control over the cost.

Bodily injury liability (BI) coverage

covers you if you cause an accident in which someone else is hurt or killed. Colorado requires you to purchase a minimum of \$25,000 per person and \$50,000 per occurrence—commonly expressed as “25/50.” Many financial experts recommend carrying at least \$100/\$300. Consider what assets you have to protect and what you can afford when deciding how much to purchase.

Property damage liability (PD) coverage

covers you when you damage someone else's property. Usually it's someone else's car, but it could apply to buildings, utility poles, garage doors, and other physical property. Colorado requires a minimum limit of \$15,000.

Collision coverage covers damage to your car if you run into another car, a brick wall, a fire hydrant, or other object. This coverage is optional, though your bank may require it if you have an auto loan. You may choose a deductible on this coverage—what you must first pay out-of-pocket for a claim before the insurance kicks in.

Comprehensive coverage covers you in case your car is stolen or damaged in ways that don't involve a collision. Covered risks include hail, fire, theft, flood, earthquake,

explosion, falling objects, and encounters with wildlife, such as deer. Comprehensive is optional coverage, though your bank may require it if you have an auto loan. You may choose a deductible on this coverage.

Uninsured/Underinsured motorist (UM/UIM) coverage

covers medical and other expenses when you are hit by a driver without adequate auto insurance. In Colorado, insurers are required to offer UM/UIM in the same amount as the bodily injury liability limits you select, though you may reject it or choose different limits. You can purchase additional coverage to pay for damage to your car if hit by an uninsured motorist, but many people instead just purchase collision and comprehensive.

Medical payments coverage (Med Pay, or MPC)

acts as primary coverage for medical expenses you and your passengers incur if injured in a motor vehicle accident, regardless of fault. As of January 1, 2009, Colorado insurers are required to offer you \$5,000 in coverage. You must opt out or the coverage and premium will automatically be added—whether you're buying a new policy or renewing one. You can choose not to buy med pay or purchase a different amount. But, if you don't want it you must reject it in writing or in the same way you buy insurance, for example, over the Internet or telephone. The new law also requires your insurer to hold \$5,000 of your medical payments coverage for 30 days to pay for trauma bills first.

Auto Insurance Worksheet

Use the following worksheet to help you and your insurer select the best auto insurance policy for you. Answering these questions for yourself on an annual basis can help you keep your policy up-to-date.

1. Who are the drivers in my household? What are their ages, where and how often do they drive?

2. What deductibles can I afford? Choosing higher deductibles can lower your auto insurance premiums, but also consider how much you can afford out-of-pocket in the event of an accident or vehicle damage.

3. What assets do I have to protect? Knowing this can help you determine how much liability coverage to purchase.

4. Does my family have health insurance? What does it cover? What are the out-of-pocket maximums, deductibles and co-pays? These questions might be considered when deciding whether or not to purchase med pay coverage and how much.

5. What is the estimated value of my car? If your car is fully paid for you might consider the value of what you are insuring compared to the annual cost of insuring it when deciding whether to purchase collision or comprehensive insurance.

6. Is my car paid for or do I have a loan? Lenders require you to carry collision and comprehensive coverage in addition to mandated coverage.