

# Selecting the right Auto insurance matters!



**Auto insurance can be difficult to understand, and it's not just about your car. It's about risk. If you don't have insurance, the financial burden could fall on you in the event of an accident. Buying auto insurance lessens some of that risk.**

**Liability:** If you are at fault in a car accident, liability coverage pays for the other driver's vehicle repairs, medical costs and additional expenses. The limits are the maximum amount the policy will pay out; anything above that would come out-of-pocket unless you have other insurance. It does not cover repairs to your car.

There are two parts to liability coverage, and your policy must include both:

- **Bodily injury liability** helps pay for the other person's physical injury if you're at fault in a car accident
- **Property damage liability** helps pay for the damages caused to someone else's property, including their car, house, fence or mailbox

**Collision:** Pays for damages or repairs to your vehicle (after paying a deductible up-front) if you hit another vehicle or object.

For example, if you have collision coverage with a \$500 deductible and you suffer damage that costs \$1,500, your collision coverage will pay \$1,000 after you pay the first \$500.

**Comprehensive:** Pays for losses to your vehicle if it's damaged by something other than a collision.

For example, if a tree falls on your car, some portion of that loss will be covered if you have comprehensive coverage. Like collision, comprehensive has a deductible.

**Medical expenses:** Pays for injuries that you or any other passenger may suffer in a car accident, regardless of who is at fault. It also pays for injuries you or your family members may incur while riding in other vehicles.

**Personal injury protection (PIP):** Similar to medical expenses coverage, it pays the medical bills for both you and your passenger(s). It also pays for things like lost wages and other non-medical costs.

**Uninsured/Underinsured motorist:** Pays for injuries and property damage resulting from an accident when the driver at fault is either uninsured or does not have enough insurance to cover your injuries and damages. It also covers you when a hit-and-run driver flees the scene and you cannot file a claim against that driver's insurance company.

**Roadside assistance:** Covers emergency tows, battery jump starts and other roadside mishaps.

**Rental reimbursement:** After an accident with an approved claim, this covers rental car costs while your car is being repaired.

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## What Auto insurance coverage is required?

Texas law requires you to have liability coverage that covers at least \$30,000 of coverage for injuries per person, up to a total of \$60,000 per accident, and \$25,000 for property damage. This is called 30/60/25 coverage.

If you still owe money on your car, your lender will require you to have collision and comprehensive coverage. OnRamp may also require this coverage depending on your financial situation.

### If at all possible, do not skimp on coverage!

Think about buying more liability coverage. The minimum liability limits may be too low if you cause a multi-vehicle accident or if the other driver's car is totaled. If you don't have enough liability coverage to pay for the damages and injuries you cause, you may have to pay the rest out-of-pocket — and if it's not paid, you could be sued.

Even if you are not required by a lender or by OnRamp to purchase collision and comprehensive coverage, we recommend purchasing both to ensure that you don't lose the ability to use your vehicle. You can also select a higher deductible to reduce the cost of the policy.

### Minimum suggested coverage limits to purchase



Liability	
Bodily injury liability	\$100,000 / \$300,000
Property damage liability	\$100,000
Collision	
	Yes, select a deductible you can afford.
Comprehensive	
	Yes, select a deductible you can afford.
Personal injury protection	
	PIP or Medical. \$5,000
Medical expenses	
	PIP or Medical. \$5,000
Uninsured/Underinsured motorist	
	\$100,000 / \$300,000 / \$100,000
Roadside assistance	
	Yes, if your monthly premium is more manageable than having a one-time out-of-pocket expense.
Rental reimbursement	
	Yes, if your monthly premium is more manageable than having a one-time out-of-pocket expense.

### Sources and additional resources:

[www.trustedchoice.com/car-insurance](http://www.trustedchoice.com/car-insurance) | [www.tdi.texas.gov/pubs/consumer/cb020.html](http://www.tdi.texas.gov/pubs/consumer/cb020.html)

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