

Personal Auto Coverages – Part Two

This is the second part of our discussion of typical auto insurance coverages. Please also see Personal Auto Coverages – Part One.

Cars are expensive to buy and repair, providing great reasons for protecting them. If you borrowed money to buy your car, or if you leased the vehicle, the lender or leasing company was likely to make certain that you had coverage to pay for any damage to the vehicle. Below are typical coverages that apply either to the vehicle or to those operating the vehicle:

Collision coverage - This covers damage to your own vehicle that happens when your vehicle runs into another object, such as other vehicles, trees, light poles, mountains, etc.

Other Than Collision coverage - This also covers damage to your own vehicle that is due to sources such as fire, theft, hitting an animal, vandalism, earthquake, flood or hail.

Unlike liability coverage, both Collision and Other Than Collision coverages are subject to deductibles, the amount of a claim that the policyowner must pay. Deductibles are meant to eliminate an insurer having to pay for very minor losses.

Personal Injury Protection or Medical Expense – This coverage typically handles medical expenses for injuries to you, your passengers or people who are "around" you. It may also cover you and your household if you, as a pedestrian or a bicyclist, are struck by an automobile.

Towing and Labor coverage - This coverage is to help pay for your costs to deal with a disabled car. It could help pay for the car to be towed to a service station or for any repair that occurs at the location of the car's breakdown. Note that this coverage is for labor rather than the costs of car parts. Available coverage is minimal (often between \$25-\$75).

Rental Reimbursement - This coverage reimburses your expense of renting a car as a temporary replacement. The car being replaced must be an insured car that's unavailable for use because of it being damaged, lost (stolen) or destroyed in a covered loss.

Remember the above information only touches upon some typical auto insurance issues. It's always wise to contact your agent and discuss your coverage questions and needs in detail.

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