

## AUTO INSURANCE: DO YOU REALLY HAVE FULL COVERAGE?

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**What is “full coverage?”** When I ask my friends and clients what kind of coverage they have on their cars, I usually get a puzzled look and an answer laced with uncertainty.

This article will provide information that will hopefully clarify all of the different types of things that make up an insurance policy and whether you need them. The term “Full Coverage” means that you have all of the types of protection listed below. Do you? Let’s look at each type of coverage in an effort to help you understand what they are and decide whether you need them.

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### *Liability Coverage*

This coverage (also referred to as Personal Liability and Property Damage, or PL & PD) protects you when you are involved in an accident and someone makes a claim against you.

The State of California requires that you carry liability insurance on your car. Make sure you carry this type of coverage. If you are involved in an accident and a court determines that you were at fault, you can lose your driver’s license and have your earnings and assets (home, car, etc.) taken if you do not carry this coverage or are inadequately covered.

### *Medical Payments*

This coverage will pay up to the amount indicated for medical expenses you and each of your passengers incur if injured as a result of being involved in an accident in your car – regardless of who was at fault for the accident.

### *Uninsured/Underinsured Motorist Coverage*

This, in my opinion, is the most misunderstood part of many automobile insurance policies and one of the two most important types of coverage you should always have! (The other is Liability) Besides, the cost of this coverage is CHEAP!

**Uninsured Motorist Coverage** applies if you are in an accident where the other driver is at fault AND he has no insurance. Then your own insurance company will cover your medical bills, loss of earnings and compensate you for the pain and suffering as a result of the injuries you sustained due to the negligence of this uninsured motorist.

You don’t want to make a claim against your own insurance? You’re afraid your rates will go up or you’ll be canceled? Its all possible, but consider the fact that you are paying for this coverage and if you don’t use it when you need it, why have it at all! Besides, consider the alternatives. If you don’t make the claim, you are very likely not going to be compensated for your medical bills, loss of earnings, and pain and suffering all due to the negligence of this uninsured motorist. If the uninsured

motorist does not have insurance, the chances of the uninsured motorist being able to pay for your losses as a result of the accident are very slim.

Also take into consideration the fact that throughout California, Los Angeles has the greatest number of uninsured motorists in the State.

**Underinsured Motorist Coverage** applies when you are injured due to the negligence of another person, and while that negligent person is insured he does not have enough insurance to pay you all that you are entitled to receive.

What is available after you collect on the negligent motorist’s insurance? You can then collect additional money from your own insurance company.

Again, this is why you pay your premium – to be protected.

NOTE: Always ask for at least as much Uninsured Motorist coverage as you do Liability coverage.

### *Comprehensive and Collision Coverage*

Comp & Collision (for short) covers your car no matter who is at fault for an accident or any other occurrence which results in damage to your car. This coverage will help to repair your car of theft of certain items from your car.

