

Secrets of Your Car Insurance Coverage

When it comes to car insurance, most people (even my parents) think that "full coverage" has them fully covered. This couldn't be further from the truth. In reality, "full coverage" is only liability and property coverage. These do little to protect you from others. Think about it, what's the more likely scenario - you causing a wreck, or you being hit by one of the thousands of crazy drivers surrounding you. I want to tell you about three types of coverage every driver needs to have - but few know about. It's very unlikely your agent told you about them because they are so cheap. And unlike liability coverage, the insurance companies can't raise your rates if need to collect under them due to another's negligence.

Uninsured Motorist Coverage (UM)

Ok, you don't really have to add uninsured motorist coverage - you already have it. In Missouri, every insurance company has to give you (for a price) a minimum of \$25,000.00 coverage. The problem is \$25,000 is not enough!

UM coverage applies when you are injured due to the fault of an uninsured driver. I see this scenario all the time. Usually, it's because the people driving without insurance are often the worst drivers. If you are driving without insurance - don't be mad at me. But if you show me an uninsured driver, I'll bet I can pretty accurately guess how many driving citations they've had. The problem I often see is that a potential client has suffered devastating injuries because an uninsured driver hit them. They've got mounting medical bills and they're losing time - and money -- from work. The problem is the guilty party doesn't have any insurance. Where do I go to get this client money? We go to your insurance company who stands in the shoes for the guilty driver - and best of all - it doesn't raise your insurance rates! This is why UM coverage is a great protection for you and your family. But you have to raise the policy limits of the coverage. Tell your agent you want at least \$100,000 in UM coverage. What you'd be surprised to know is that all this extra coverage is only dollars more.

Underinsured Motorist Coverage (UIM)

What about the situation where you are in a bad wreck and the guilty driver has \$25,000 of insurance coverage - the state minimum. He's not an uninsured driver, but his policy limits are not enough to pay for all your medical bills, pain, and lost wages. That's where UIM coverage comes in. It is coverage you carry for the scenario where you are hurt by an insured driver, but they don't have enough insurance to fully compensate you. So your insurance company coughs up the extra cash (OK - so maybe your insurance company will fight about how much it really takes to fully compensate you - but that's when you call me.) But here's the trick - if you really want to make sure this coverage is not worthless, you have to buy a lot of coverage - at least \$100,000. I'll tell you why in the next newsletter (Hint: it's to make sure your insurance company doesn't use the fine print to weasel out of paying). But again, don't think a lot of coverage costs a lot of money. Call your agent

and ask - you'd be shocked at how cheap it is. I carry \$300,000 in UIM coverage for less than \$20 a car.

Medical Payments Coverage (MPC)

UM and UIM coverage only apply if someone else is at fault for your injuries. With MPC, it doesn't matter who is at fault. The coverage simply reimburses you for medical bills you incur due to injuries while using the car. I suggest at least \$5,000 in coverage (I carry \$10,000). It's really cheap. And better yet, it allows you to double-dip when another driver is at fault. When someone else hits you, you can collect from their insurance company for your medical bills. You also are entitled to be reimbursed under your MPC from your insurance company for those same medical bills!