



Barfield Law

FREQUENTLY ASKED QUESTIONS REGARDING INSURANCE COVERAGE

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WHAT TYPES AND AMOUNTS OF INSURANCE COVERAGE SHOULD I HAVE?

AUTO LIABILITY INSURANCE

At least \$100,000... and more if you are able to afford more coverage. You should try and have at least enough to cover your exposure for the cost of injuring another person and to cover the exposure for your personal assets/net equity (the value of all your assets: real estate, bank accounts, investments, personal property, income, etc.). Additional liability coverage by way of an Umbrella Policy (discussed below) is a relatively inexpensive coverage that provides addition protection in the event you happen to be an “at-fault” causing serious injuries to another driver.

Damages caused to another are the personal responsibility of the “at-fault” driver, and typical minimum \$25,000 insurance policy limits are inadequate either to protect the innocent injured person or the personal assets of the “at-fault” driver. An “at-fault” driver is responsible for all hospital and medical expenses, income losses and other related damages for an injured party.

UNINSURED/UNDERINSURED MOTORIST INSURANCE

At least \$100,000... and more if you are able to afford more coverage. This coverage protects YOU from the costs of injuries, damages and losses incurred as the result of being hit by an uninsured or inadequately insured driver, and reimburses you on behalf of the UNINSURED/UNDERINSURED driver. This is very important coverage since there are many Colorado drivers that are either uninsured or underinsured. This is also important coverage since your medical coverage for accidents may be limited or because there may be no and/or limited other insurance coverage for your loss of income, additional medical expenses, disability, permanent injury, disfigurement, loss of time, pain and suffering, etc. This generally is not expensive coverage to obtain and may very well be the only realistic protection for you or family members injured by an UNINSURED/UNDERINSURED motorist.

AUTO “MED PAY” OR MEDICAL PAYMENT INSURANCE

At Least \$10,000 ... more if you are able. For you (the driver) and your passenger(s). This coverage, often available in increments of \$5,000, \$10,000 or \$25,000, may be an important source of additional medical coverage to cover accident related expenses. Med Pay is a relatively inexpensive coverage to have even if you already have health insurance since these benefits may be used to pay for medical and other related expenses that may not be covered by health insurance.



HEALTH INSURANCE COVERAGE

Be careful relying solely on your health insurance plan to cover accident medical expenses, since some plans may limit coverage or the types of medical treatment allowed, may change coverage, and will terminate if the health insurance policy/coverage terminates by job changes, plan benefit changes, non-payment, etc. This is why Med Pay Insurance discussed above is an affordable supplement and addition to health insurance coverage in the event of an accident resulting in injuries.

PROPERTY DAMAGE AND COLLISION/COMPREHENSIVE COVERAGE

In view of the ever increasing cost of new vehicles these days, we recommend increasing coverage for damages done to other person's vehicles to a minimum of \$25,000 and \$50,000 or more if feasible. The added cost for increasing property damage coverage is usually minimal and well worth the slight premium increase should this coverage ever be needed. For your own vehicle, whatever you feel is appropriate to cover your vehicle investment (usually, the cost of repairs or replacement, or the loan amount). Also, consider the highest deductible you can reasonably afford since this will lower your premium cost.

EXCESS/ "UMBRELLA" COVERAGE

At least \$1,000,000... You may also want to consider this type of coverage to cover your exposure to large losses. This coverage generally is not very expensive. A \$1,000,000, or even \$2,000,000 Umbrella Policy is certainly neither unreasonable nor excessive today considering the value of one's personal assets and the potential financial exposure one faces in causing a serious injury accident. Moreover, additional Umbrella Policy coverage can be obtained rather inexpensively when compared with the significant amount of additional insurance coverage that may be obtained.

SMALL LOSSES/DEDUCTIBLES

Consider absorbing the cost of smaller losses yourself, since even small claims expose you to possible premium adjustments or cancellation, after which you may be limited or face increased expense when trying to obtain replacement coverage. Also, larger deductibles decrease premiums.

Choosing insurance can be confusing and frustrating. Most people find out their insurance is insufficient when it fails to cover their needs. The above information is provided to help you be a better informed consumer and to protect you and your family now and in the future.

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