

Why should I reevaluate the current types and amounts of insurance coverage I have?

Did you know that roughly one in seven motorists across the United States are uninsured? What does this mean for you? Unfortunately, this means that the auto insurance coverage that you currently carry may not sufficiently protect you, your family members, and your assets from an accident.

How much auto insurance coverage do you need?

1. Auto Liability Coverage:

Damages caused to another vehicle and/or person is the personal responsibility of the “at-fault” driver. An “at-fault” driver is responsible for all hospital and medical expenses, income losses, and other damages that may be caused as a result of an accident. Typical minimum limits (\$25,000) are inadequate these days to protect the innocent injured person as well as the personal assets of the “at-fault” driver.

So what does that mean for you?

You should have at least enough liability insurance to cover your exposure for the cost of injuring another person(s) and, if possible, to cover any exposure of your own personal assets/net equity (the value of all of your assets: real estate, bank accounts, investments, personal property, income, etc.). You should try

and have at least \$100,000 or more in Liability Coverage if you are able. A \$1,000,000, or even \$2,000,000 liability coverage by way of an additional Umbrella Policy is a reasonable option considering the value of one’s personal assets.

2. Uninsured/Underinsured Motorists Coverage:

This type of insurance coverage protects you from the costs of injuries, damages, and losses you may experience as the result of being hit by an uninsured or inadequately insured driver, and reimburses you on behalf of the uninsured/underinsured driver. This may be the most important coverage you can have, especially given the following factors: the high number of uninsured drivers on the road today, health and medical coverage is often limited in what expenses and losses it will cover, and that there may be no other coverage or source of reimbursement for your loss of income, additional medical expenses, disability, permanent injury, disfigurement, loss of time, pain and suffering, etc.

So what does that mean for you?

This generally is not expensive coverage and may very well be the only realistic protection available to you and/or your family members who may be injured by an uninsured/underinsured motorist. Like your Auto Liability Coverage, you should try and have at least \$100,000 or more in Uninsured/Underinsured Motorist Coverage if you are able.

3. Auto “Med Pay” Medical Payments Coverage:

This coverage protects you and the other passengers in your vehicle up to the policy limits regardless of who is “at fault” in an accident. This coverage can apply to a myriad of expenses including medical bills, health insurance deductibles, copays, and much more. This coverage is often offered in increments of \$5,000, \$10,000, \$25,000 or more.

So what does that mean for you?

How much Med Pay coverage a person needs will often depend on factors such as whether you currently have health insurance and/or whether you might experience a loss of health insurance at some point in the future. This generally is not expensive coverage and will assist you and your passengers immediately following an accident with medical expenses. You should try and have at least \$10,000 or more in Medical Payments Coverage if you are able.



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What else should I consider?

1. Health Insurance Coverage:

Be careful when relying solely on your health insurance plan to cover future accident related medical expenses. Health insurance plans may limit the types of medical care that is covered, may have high deductibles, may have co-insurance costs, may in the future limit covered medical care, or may significantly increase premiums and/or exclude certain types of medical care. Therefore, relying on your health insurance alone could leave you inadequately protected to cover accident related medical care expenses and other losses. Additionally, health insurance coverage can terminate if the health insurance policy/coverage terminates by way of job changes, plan benefit changes, non-payment, etc.

2. Property Damage and Collision/ Comprehensive Coverage:

This coverage protects you for damages done to another person's vehicle if you are found to be "at-fault" for an accident. In light of the ever increasing cost of new vehicles these days, we recommend increasing your coverage for damages done to another person's vehicle to \$25,000 - \$50,000 or more if possible. 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, chose whatever you feel is appropriate to cover your vehicle investment (usually, the cost of repairs or replacement, or the loan amount). Also, consider opting for the highest deductible you can afford, since this may lower your premium cost.

3. Excess/"Umbrella" Coverage:

This coverage generally is not very expensive and will cover your exposure to large losses. A \$1,000,000, or even \$2,000,000 liability coverage by way of an Umbrella Policy is neither unreasonable nor excessive today, considering the value of one's personal assets.

4. Small Losses/Deductibles:

Consider absorbing the cost of smaller losses yourself, since even small claims could expose you to premium adjustments and/or policy cancellations, after which time you may have increased difficulty purchasing insurance coverage or it can be more expensive. Additionally, larger deductibles may decrease your premiums.

NOTE: Real estate and automobiles now may carry their own computer records, which are like driving records on individuals. Therefore, even claims inquiries may now be permanently recorded on all future transactions involving the individual, their real estate and their vehicles.

5. Insurance Agents/Companies:

We suggest that you consult with your personal insurance agent to identify the insurance coverage that best protects you, your family members, and your personal assets and interests.

Choosing the right insurance coverage can be confusing. Most people find out that their insurance coverage is insufficient when it fails to cover their needs at the time of an accident or claim. The above information is provided to help you be a better-informed consumer and to obtain the insurance that best protects you and your family.

Courtesy of:



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