

The image features a dark blue semi-transparent overlay on the left side containing the WTIA logo and the title 'AUTO INSURANCE 101'. The background is a photograph of a black SUV parked on a gravel road in a forest, with mountains visible in the distance.

# WTIA

## AUTO INSURANCE 101

Are you getting lost in what type of insurance coverage you need? Or more so, what you don't need? To drive your car, you will need some form of coverage even if your car is not worth covering. You need it to protect yourself if the accident needs to cover the claims from the other party. Typically, the auto insurance provides property, liability and medical coverage:

- Property coverage refers to damage to or theft of the car.
- Liability coverage refers your legal responsibility to others for bodily injury or property damage.
- Medical coverage refers to the cost of treating injuries, rehabilitation and sometimes lost wages and funeral expenses.

Most states require drivers to have auto liability insurance at a minimum before you can legally drive a car. (This insurance covers the other driver's medical, car repair and other costs when you happen to be at fault in an auto accident.) All states have laws that state the minimum amount of insurance that you have to pay for the harm caused by negligence behind the wheel if an accident occurs.

Auto policies are typically for a term of six months to a year. An auto insurance policy provides six different kinds of coverage:

### 1. Bodily Injury Liability HR Benefits Inc.

This coverage applies to injuries that you and your family members listed on the policy caused to someone else. These individuals are also covered when driving other peoples' cars with permission. In serious accidents, you may be sued for larger amounts. This may make you consider to buy more than the state-required minimum to protect personal assets such as homes and savings.

## 2. Medical Payments or Personal Injury Protection (PIP)

This coverage covers for the treatment of injuries to the driver and passengers of the policyholder's car. In general, the PIP can cover medical payments, lost wages and the cost of replacing services normally performed by someone injured in an auto accident. It may even cover funeral expenses.

## 3. Property Damage Liability

This coverage pays for damage to your car resulting from a collision with another car or object. It even covers damages caused by road hazards like potholes. Collision coverage is provided with a deductible of \$250 to \$1,000— generally, the higher the deductible, the lower the premium. Even if you are at fault for an accident, collision coverage will pay for the costs of repairing the car, minus the deductible. If you are not at fault, the insurance company will work on your behalf to recover the amount paid from the other driver's insurance company. If the company is successful, you will be reimbursed for the deductible that you initially paid.

## 4. Collision

This coverage pays for damage to your car resulting from a collision with another car or object. It even covers damages caused by road hazards like potholes. Collision coverage is provided with a deductible of \$250 to \$1,000— generally, the higher the deductible, the lower the premium. Even if you are at fault for an accident, collision coverage will pay for the costs of repairing the car, minus the deductible. If you are not at fault, the insurance company will work on your behalf to recover the amount paid from the other driver's insurance company. If the company is successful, you will be reimbursed for the deductible that you initially paid.

## 5. Comprehensive

This coverage protects you for loss due to theft or damage caused by something other than a collision with another car or object, such as fire, falling objects, explosions, earthquakes, windstorms, hail, flood, vandalism and riots, or contact with animals such as birds or deer. Comprehensive insurance is usually sold with a \$100 to \$300 deductible, though you may choose to go for a higher deductible as a way of lowering your premium. Comprehensive insurance may also cover you if a windshield is cracked or shattered. While states do not require the purchase of collision or comprehensive coverage, lenders will likely insist that you get this coverage until your car loan is paid off.

## 5. Uninsured and Underinsured Motorist Coverage

Uninsured motorist coverage covers you, a member of the family or a designated driver if one of them is hit by an uninsured or a hit-and-run driver. Underinsured motorist coverage comes into play when an at-fault driver has insufficient insurance to pay for the other driver's total loss. This coverage will also protect a policyholder who is hit.

Depending on the level of coverage that you want, your price will vary. Now that you're better informed on the coverage you need, let us know if you need to help to provide you insurance that is right for you so that you don't pay for what you don't need. Talk to us so that we can create a customized quote based on your needs. You are not paying us for silly ads or expensive mascots. We provide great service and insurance coverage based on your needs. Nothing more.

Kind Regards,

**Jared Whaley**

**HR Benefits Inc. (HRBI)**

A Subsidiary of Washington Technology Industry Association

1721 8th Ave N. Seattle, WA 98109

206.513.7933

[insurance@washingtontechnology.org](mailto:insurance@washingtontechnology.org)