

Ames Insurance Center

September 2011 Newsletter

Basics of Insurance

The office will be closed Monday, September 5th in observation of Labor Day.

Like our Ames Insurance Center Facebook page to get daily updates on what's happening in insurance, stay connected with our staff & find out what's going on in the office!

This is the first newsletter in our series on the Basics of Insurance. The goal of this series is to help you feel more comfortable and educated when it comes to the basics of insurance. If you have any questions you would like answered in our next newsletter send an e-mail to info@amesinsurancecenter.com.

In the August newsletter we discussed Rental Car Insurance which is an important topic regarding your Personal Auto Policy. In this newsletter we'll discuss the basics of Auto Insurance.

Auto Insurance

What is auto insurance?

Auto Insurance is a contract between you and your insurance company stating that you agree to pay the premium and the insurance company agrees to pay your losses as stated in the policy.

What if I miss a payment?

The insurance contract above is based on your paying your premium on time. If you miss a payment or make a late payment your insurance does not cover you during this time.

Iowa Minimum Requirements

The state of Iowa requires the vehicle owner to carry cover-

age equal to Bodily Injury Limits of 20,000 per person/40,000 per accident and Property Damage Limits of 15,000.

What does it all mean?

Bodily Injury Liability coverage pays for your legal responsibility to others for bodily injury (including medical payments, pain & suffering). *Property Damage* coverage pays for damage to tangible property (including damage to another person's auto or a building).

When you take all of this into account you can see that the Minimum Require-

ments are very low. \$20,000 per person for a total of \$40,000 maximum for medical costs quite frankly would barely cover the costs if you were in a serious accident.

What about Medical Payments?

Medical Payments cover the cost of medical expenses for the driver of the vehicle & their passengers.

Check out page 2 for more information on the types of coverage offered on your auto policy.

Auto Insurance



Full Coverage or Liability Only?

Full Coverage includes coverage for damage to your vehicle. This includes collision (upset of your covered auto or its impact with another object—hitting another vehicle) & comprehensive (anything that is not collision—hitting a deer). Liability only does not cover any damage to your personal vehicle.

Should I get Roadside Assistance?

Many, but not all of the companies we service offer

Roadside Assistance for a minimal charge. This helps to cover labor costs as a result of your vehicle becoming disabled be it from a flat-tire, dead battery, or locking your keys inside. Adding Roadside Assistance to your policy would be a good move if you're driving a vehicle that is prone to breaking down, driving a lot on unpopulated roads, or just unfortunately occasionally unlucky.

What about Rental Reimbursement?

Rental Reimbursement can also be added to most personal auto policies for a

minimal fee. This covers reimbursement for rental car charges received while your vehicle is being repaired after a covered accident. If you want to add this you need to have full coverage on the vehicle.

Both Roadside Assistance & Rental Reimbursement are added on a per vehicles basis, therefore you can have one car with roadside and one without.

Insurance can be confusing & in our next newsletter we'll focus on the

basics of homeowners insurance to help clear up any confusion on that topic. If you have questions give us a call at 515-663-8750 or stop by the office to chat!

Progressive. Auto Insurance Basics Brochure. July 2007.

What is Auto Insurance? <http://www.iii.org/articles/what-is-auto-insurance.html>

Lower Premiums

Progressive customers take note:

Progressive Insurance has added new features to its mobile phone app. Not only can you report your claim from the scene with photos, but now you can scan up to three VINs (with your camera phone) when car shopping to compare costs and help you make a final decision.

There are many different ways to get a lower premium. *Why not take advantage of them?*

- The most obvious way to get the best price is to shop around, which we do for you!
- A second way to reduce premiums is to raise your deductibles. Raising your deductible to \$1000 can reduce premium by 40%. Make sure you have enough money set aside to pay the deductible in case of a claim.
- A third way is to maintain a good credit record. Insurers are progressively using credit scores to rate insurance premiums. Be sure to pay your bills on time and keep your credit card usage in check. Using a website like www.experian.com to monitor your credit is one way to catch any errors in your credit score quickly so they can be fixed before you run into any problems.

Feel free to ask us about even more ways to save on your insurance premiums.