

## Is it *Really* a Good Deal?

### Deciphering Insurance Offers

By Eric Ewing, CEO, NexTier Insurance Services

Talking lizards, stern traffic cops and sales pitches about savings on car insurance are all over the television and in your mailbox promising you a better rate. But is it? And how do you know what to look for in car insurance? In order to make sure you have the right coverage to keep you safe, let's take a minute and decode some terms you need to understand when evaluating automobile insurance offers,

#### **Limits of liability.**

- In Pennsylvania the minimum required limits are \$15,000/\$30,000/\$5000 which means if you hit a pedestrian or occupied vehicle you only have for bodily injury \$15,000 per person in the accident.
- If two or more people are injured the most your insurer is obligated to pay for bodily injury to all persons is \$30,000. That is not enough coverage! The cost for a visit to the emergency room and tests to rule out injuries is about \$8,000. You can see how these limits really don't protect you (and your assets) very well.
- Damage to property (including cars) limit is \$5,000 per accident.

The cost difference per year on my own personal auto liability insurance between minimum limits and \$100,000/\$300,000/\$100,000 is only \$58 per year or less than \$5 per month. If you have assets to protect, then you should consider having limits that will do just that.

**Limited Tort or Full Tort:** If you select limited tort, you will not be able to sue for pain and suffering unless you sustain a serious or permanent injury, which has been defined by the Pennsylvania Courts as a "serious impairment of a bodily function." Limited tort coverage savings are very small and put you at risk.

**Uninsured and Underinsured:** Uninsured (UM) and Underinsured Motorist (UIM) coverage are optional, and often are excluded in coverage in order to reduce the premium. I strongly recommend you have this coverage. I always ask my clients, why would you buy a lower limit of insurance for yourself than you would buy to protect someone else? This coverage is a bargain considering uninsured vehicles on the road are estimated to be as high as 30% state wide. If you are involved in an accident with an uninsured driver, you have almost no chance of collecting your damages. Both you and your passengers are covered for medical expenses, lost wages and other injury-related losses.

**First Party Benefits covers** your injuries in an accident regardless of who is at fault. The PA minimum is \$5,000 which is adequate only if you have health insurance. If you don't, you may want to consider raising this amount.

**Lastly, it's about the service:** Having the right coverage is very important, but perhaps even more importantly is having an agent who puts your needs and interests first, not only when you are buying insurance, but when you have a claim. I can assure you,

NexTier Insurance Services will do just that. Feel free to give our professionals a call at 1-877-467-7767 for a free, no obligation, insurance review and quote. Good luck and safe motoring!