

AUTO INSURANCE

HOW MUCH SHOULD YOU BUY?



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AUTO INSURANCE

HOW MUCH SHOULD YOU BUY?

Many view “auto insurance” as if it were a commodity. The fact is, you can buy a lot of auto insurance or a little depending on your needs. How to decide what you need and how much will vary based on your state. Most states, more than 40, legally require you to have auto insurance. But the downside is they don’t require you to have much. In states that have mandatory auto insurance laws, all you are required to buy is minimal liability coverage. This is so you can pay for some of the damage your car does to other cars and other people not in your car. But, how much are you required to buy?

Tennessee Laws on Auto Insurance

The minimum liability coverage in Tennessee needs to include:

- \$25,000 in Bodily Injury for any one person involved in an accident with you.
- A maximum payout of \$50,000 in Bodily Injury for all persons in the accident.
- \$15,000 for property damage to the other vehicle(s) or objects involved.

When you break that down, it’s not much. The last thing you want is to be at-fault in the event of a car accident. If you are, and your liability insurance covers the minimum, it’s not going to stretch that far. If you own a home or property, it’s very important to make sure you have the proper liability coverage to protect the things you own in the event you’re sued. Also, if you damage a new BMW, what your property damage insurance doesn’t cover will come out of your pocket. Purchasing the right amount of insurance is important, but you’ll need to know what’s involved in order to make an educated decision.

WHAT IS COVERED UNDER YOUR AUTO INSURANCE POLICY

Tennessee mandates that every driver have auto insurance. When it comes to shopping for policies, you'll have a few options. Auto insurance isn't just about liability. Your insurer will have other options that fall under the policy to protect you and other drivers. Knowing what is inside insurance for your car will help you make informed decisions on what and how much to buy.

Liability:

If the accident is your fault, liability insurance will cover injuries to the other person and damage to their vehicle. Liability is a very important coverage for your protection. It protects the things you own in the event you're sued. Your home, savings, etc., are all important factors in selecting the correct liability coverage for your unique needs.

Collision:

Collision covers your vehicle's repair from hitting an object or another vehicle.

Medical Expenses:

If you or your family member are injured because of a car accident, medical expenses will go towards the hospital bill.

Uninsured/underinsured motorist:

If you've been hit and the other driver was at fault and doesn't have auto insurance (or enough coverage) your Uninsured/Underinsured motorist coverage will pay for your injuries and damage to your vehicle as the other persons insurance would have had they been properly insured.

Optional Roadside Assistance:

If you want help changing a flat tire or need a tow if your car breaks down voluntary roadside assistance will cover it.

Optional Rental Reimbursement:

Rental reimbursement is an add-on coverage that would cover the cost of renting a car if your car is in the shop for an insurance repair.

The Final Word on Auto Insurance

Invest in what you think will benefit you. Insurers want to make it easier for you to get the coverage you need and deserve. Ask your agent to clarify what your policy does and doesn't cover.

WHO IS COVERED UNDER AN AUTO INSURANCE POLICY

There are instances where you might hand over your keys to someone else. It can happen for a multitude of reasons, but regardless of why, the most frequently asked question about auto insurance includes who is covered under the policy. Friend, spouse, or child, it's important to understand the details of your auto insurance policy and the liability limits.

Auto Insurance Coverage

Immediate Family

Each state mandates its own requirements for auto insurance. Anyone living at your address that does not have their own auto policy should be listed as a driver on your auto policy to be covered in case of an accident.

Extended Family

There's something on [auto insurance policies](#) called permissive use. What this means is, as a policyholder, you can give consent to your grandparents, aunt, or cousins to drive your car while they are in town visiting. You'll just need to confirm that they have a valid driver's license.

Friends

The "permissive use" umbrella usually extends to friends as well. That means if you break up a road trip into driving shifts, your friend who takes the wheel is covered in the event of an accident. Just confirm with your provider.

Dating Partner

If you haven't noticed already, the permissive use is expansive. If your partner gets behind the wheel of your car, your insurance will most likely cover you if there is an accident. If you decide to move in together, we recommend getting listed on each other policies or combining for a chance at a discount.

THE FINAL WORD ON PERMISSIVE USE

A better explanation of permissive use would be this: your car insurance covers the car no matter who is driving. However, as we previously stated, anyone who is not listed could become subject to terms and conditions that mean they have less coverage options than immediate family or those listed on the policy. You'll want to contact your provider for more information to make informed decisions on who you are comfortable with driving your car.

Preventing Cancellation or Non-Renewal

When you're thinking about car insurance, you aren't always worried about losing your policy. However, auto insurance providers have the right to refuse someone coverage. It's well within their right to choose to do so for many reasons, but most are required to let you know in writing why at least 10 to 30 days before you're no longer insured.

Non-Renewal

A Non-renewal happens, with notification, at the time your current policy ends. Why a company would not renew your policy could be based on different factors. It could be for example, the company no longer provides insurance in your area or the company has decided your risk factors have changed.



Why Your Auto Insurance Might Get Cancelled or Non-Renewed

Not Being Honest

When you sign up for a new policy, your insurance provider will ask you a series of questions to determine a correct premium. If at any point you are not completely honest with your answers, you can get dropped from your policy.

Causing Accidents

Whether or not it's your fault, the first accident isn't ground for cancellation. Accidents happen, and that's why you have insurance. However, repeatedly getting into accidents where you are found "at fault" could impact your insurability. If you're canceled, for this reason, you can expect insurance premiums to go up.

**Special note: If repeated accidents are not your fault it's still possible to be non-renewed.*

Driving Under the Influence

Auto insurance companies take drinking and driving very seriously. If you receive a DUI, your insurance company will find out. Your agent should have options for insurance but you can expect your rate to be much higher.



THE FINAL WORD ON CANCELLATION

If you start shopping for auto insurance after cancellation, it's best to be honest because insurance companies will usually find out the reason for cancellation.

Tennessee Auto Insurance

Royce Williams Insurance has been providing comprehensive auto insurance packages for over 25-years. We understand that when you purchase a policy you need to consider multiple factors to protect you and your financial future. We work hard to offer the best protection for individuals and their families regarding auto insurance.

You can learn more about our comprehensive Tennessee auto insurance policies by visiting us online at [InsuringNashville.com](https://www.insuringnashville.com).

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