

Types of Auto Insurance Coverage Explained in Plain Language

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Press release from: [Kraft & Associates, P.C.](#)

Automobile insurance can seem confusing, but the basics are really pretty easy to understand. This information is from Dallas attorney Robert A. Kraft, and is based on Texas law. The laws of other states may vary.

Liability

If you injure someone because you were careless driving your car, this coverage requires your insurance company to pay the claim. The insurance company's obligation is limited to the amount of coverage you purchased. For example, if your liability limits are the Texas minimum of \$20,000 per person and \$40,000 per accident, your company will pay no more than \$20,000 to each injured person and no more than \$40,000 total for any one accident.

Property-Damage

This is similar to bodily injury liability except that it covers damage to the other vehicle rather than physical injuries. Your company's obligation to pay is limited to the amount of coverage you buy.

Collision

With this coverage, your company pays for damage to your vehicle caused by an auto accident, no matter who was at fault. You will have a deductible amount. A \$100 deductible means that you pay the first \$100; the insurance company pays the rest. A higher deductible will lower the cost of this coverage.

Comprehensive

This coverage requires your company to pay for damage to your car caused by something other than an auto accident (for example, fire, theft, or vandalism).

Personal Injury Protection

Your company will pay the reasonable medical expenses of anyone in your car who is injured, and will pay for anyone in your household who is injured in another's car. Under this coverage, it does not matter who was at fault in the accident. A portion of your lost earnings are also covered by this type of insurance.

Uninsured Motorist

If an uninsured driver injures you or your passengers, this coverage will pay your claims. It serves as a substitute for the liability insurance that the other driver did not have. This coverage also is limited to the amount of insurance you buy.

Underinsured Motorist

If another driver injures you or your passengers, and his or her liability insurance is insufficient to cover the full value of your claim, this coverage will make up the difference. Once again, your company's obligation is limited to the amount of coverage you purchase.

Automobile insurance rates vary widely depending on the insurance company or agent you choose, the types and amounts of coverage you want, and the kind of car you drive, among other factors. Kraft & Associates will be glad to send you a free brochure that further explains automobile insurance and offers tips on lowering the cost of your insurance. For more information, or to request the free brochure, visit www.kraftlaw.com. Kraft & Associates can be reached by e-mail at info@kraftlaw.com, and by phone at (800) 989-9999.

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