

Title:

Are All Car Insurance Companies Equal? Here Is What To Look For.

Word Count:

589

Summary:

Car insurance protects you against any financial loss that may happen due to an accident or theft of your car. It is a car insurance company that issues car insurance to you. A car insurance company will work up a car insurance policy for you after evaluating the various options like the make of your car, the premium that you are willing to pay, your insurance risk, etc. A yearly premium has to be paid by you to the car insurance company so that the company can pay for your l...

Keywords:

car insurance, new car purchase, car accident, personal injury

Article Body:

Car insurance protects you against any financial loss that may happen due to an accident or theft of your car. It is a car insurance company that issues car insurance to you. A car insurance company will work up a car insurance policy for you after evaluating the various options like the make of your car, the premium that you are willing to pay, your insurance risk, etc. A yearly premium has to be paid by you to the car insurance company so that the company can pay for your loses that you may bear in the future. All the terms and conditions are mentioned in the contract and it is your duty as a car owner to look over all the points and ask the insurance agent any questions that you have in mind. It is only after all the terms and conditions are clear to you that you should sign on the dotted line and pay the premium.

Normally all car insurance companies have the same insurance policies. The premium to be paid and the percentage of losses to be covered in case of any accident may vary slightly. Since the car insurance market is very competitive, the premium rates and other terms and conditions almost remain the same.

A car insurance policy may provide property, liability and coverage depending on the type of policy. The property coverage covers losses for damage of the car or the theft of the car. Liability coverage pays for any legal liabilities to other people for bodily harm or property damage. And medical coverage covers expenses for treating injuries, medicine expenses and funeral expenses in case of a car

accident. You may buy the different types of coverage depending on how much you want to spend on your policy.

A car insurance policy usually consists of 6 types of coverage. As mentioned before a customer can select from the different types of coverage. Most of the car policies last from 6 months to a year. Your car insurance company will bill you when it is time to renew your policy and be prepared for a rate hike.

The different types of coverage are :-

1) Bodily Injury Liability

This type of liability covers the expenses of injuries that you may cause to someone else while driving your car. Also the coverage includes injuries caused to a person while driving other person's car.

2) Medical Payments and Personal Injury Protection

This type of liability covers the expenses for the treatment of injuries to drivers and other passengers. The liability also covers medical expenses and funeral expenses in the case of death.

3) Property Damage Liability

This type of liability covers for damage to the other person's car and your car. It may also include damage to lamp posts, telephone poles, fences and other public property.

4) Collision

This type of liability covers expenses for damage to your car or the other person's car. Even if you are at fault, then also you will be reimbursed for the expenses of repairing the car.

5) Comprehensive

This liability covers loses due to theft or damage to the car by something other than collision with another object or damage to the car due to fire, falling objects, explosion, earthquake, etc.

6) Uninsured and Underinsured Motorist Coverage

This liability covers damages to your car by another driver who is uninsured.

The coverages mentioned above are offered by all car insurance companies. In almost all states, car insurance is mandatory. Therefore, it is your responsibility as a car driver to have a policy.