

Collision Coverage – What Is It and Do I Need It?

Collision Coverage Protects You from the Most Common Cause of Car Damage

Collision Coverage Is a Vital Auto Insurance Option

Most of us have, at one time or another, looked at a bill for our car insurance premium and wondered, “Do I really need all the auto insurance I’m buying?” We know that some coverage is “nice” to have and other coverage we “need” to have. Where is collision coverage on that scale? First, we’ll look at the protection collision insurance provides, then help you decide whether you need the coverage.

Imagine you’re in a car accident, sitting in the driver’s seat in total surprise and shock. Once you have determined that everyone involved is safe, your attention will shift to the damage to your vehicle. If you carry collision coverage, you have already taken important steps toward getting your car fixed.

What Is Collision Coverage?

In plain terms, collision coverage pays to fix what happens to your car when it hits another vehicle or when another car hits you. Your car is far more likely to be damaged in a “collision” than from all other incidents combined. If you have noticed the increase in inattentive drivers on the road, you can readily understand that being in an accident is sometimes simply a case of being in the wrong place at the wrong time.

- **Collision coverage pays regardless of fault.** Your car insurance will pay (less your deductible) to repair or replace your car even if you are the one at fault in an accident. But be aware that your policy probably excludes some causes of damage, for example, if you are racing or if you intentionally run into someone.
- **If another driver is responsible for an accident, whose car insurance pays?** Your collision coverage will pay to fix your car and then try to recover the costs from the other driver’s liability insurance, thus saving you the trouble of trying to recover from the responsible party. If your insurance company recovers the full amount of damages, your deductible may be reimbursed as well. Collision coverage will pay to fix damage to your vehicle even if another driver causes the accident, flees the scene and cannot be found.
- **Optional extensions to collision coverage may be available.** Besides basic collision coverage, there is other coverage you can add, such as Towing and Labor and Rental Reimbursement. These “extras” are relatively inexpensive, and can be helpful with the arrangements you may have to make after an accident.

Why Do I Need Collision Insurance?

If you financed the purchase of your auto, you likely are required to carry collision coverage. The lender holds title to the vehicle and will normally require that “full” insurance (including collision coverage) remains in place as long as the loan is outstanding. Once the vehicle is paid off, or if you paid cash for it, you have the title and can decide for yourself whether to carry collision coverage on your auto policy.

Even if a lender is not requiring collision coverage, the insurance provides important protection on a vital asset -- your vehicle -- that can be very expensive to repair or replace. Most of us rely heavily on our cars during our daily lives. You should ask yourself how you will get around if your car is damaged. What if it is totaled? Can you afford to buy a new car? If you are

considering removing collision coverage, you should, at the very least, make sure that you have alternate transportation readily available.

Protect Yourself and Your Car

Everyone who operates a vehicle has a serious risk of being involved in an accident. It is important to realize that the odds of being in an accident depend not just on your driving skills, but other drivers as well. If the damage from an accident would cause you financial problems, consider including collision coverage on your auto insurance policy.

As your independent insurance agent, we can help you decide on the car insurance you need to protect you and your vehicle.

Contact us today to discuss your collision coverage options and to design the best protection for you: 800-289-1501 or www.haylor.com/personal/auto