

YOUR ADVOCATE

A Newsletter From The Law Offices of Eleanor Southers

How to Save Money on Your Automobile Insurance

Stop!

“Start a savings account today with a balance matching your deductible. The interest generated by this account makes it a sound investment as well.”

Before you read further, go find your present automobile liability insurance policy. Got it? Now turn to the “Declaration Page”. This should have columns with things like BI, PD, UM, etc. and numbers. This page tells you how much you’re insured for in each category. BI (or bodily injury) covers you for injuries or damages that you may cause another person.

Collision (with a deductible) is for damage to your car when it has been in an accident. Comprehensive (with a deductible) is for theft and other damages (such as a tree falling through your windshield).

UM (or uninsured motorist) insurance covers you and your occupants for bodily injury if an uninsured motorist hits you. Medical insurance provides coverage if you or a passenger is injured while in your vehicle. There are other miscellaneous coverages which may be a part of your policy. One example is Uninsured Motorist Property Damage (UMPD) which covers your vehicle when the other party does not have insurance. Normally, if the other party in a collision does not have insurance, damage to your vehicle is paid under the Collision section of your policy, and you must pay the deductible. UMPD deductible coverage eliminates the deductible in this case. Towing and rental car coverage can also be added to your policy.

By law, you must carry bodily injury liability coverage with minimum limits of \$15,000 per person and \$30,000 per accident. Any additional coverages or limits are

generate important savings and still protect yourself. First, don’t skimp on the BI coverage. Select limits high enough to cover your assets and/or your net worth, protecting yourself as well as providing adequate compensation to the injured party.

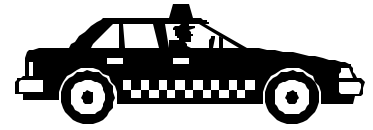
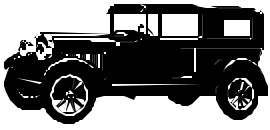
Real savings can be had in the next two coverages: Comprehensive and Collision. Deductibles (your share to pay in case of an accident) range between \$0 and \$1000 per accident. Remember that you are only responsible for the deductible if:

- 1) You are at fault, or
- 2) You have not purchased UMPD deductible coverage and the other party is uninsured

Start a savings account today with the balance matching the current deductible. As the account balance increases, raise your deductible to match it until you reach the maximum deductible possible on your policy. This method guarantees that you will always have an emergency fund to cover any uninsured cost. The interest generated by this account makes it a sound investment as well.

Many major insurance companies have instituted a reimbursable medical payment plan. This means that if you’re involved in an accident where the other party is at fault and you are paid a settlement from the other party’s insurance company, you are required to reimburse your insurance company for any medical expenses





Check with your carrier to see if medical payments are reimbursable under your policy. If you have a good separate personal medical plan, you may opt to exclude this coverage from your automobile policy. An additional alternative is to carry lower medical limits such as \$1000 or \$2000. Remember that if you decide to eliminate this coverage and have an accident, your health plan will cover your medical costs but *not* your passengers'. If you purchase medical insurance with your automobile policy, you and your passengers are covered for medical costs. Think through this decision carefully.

Be an informed consumer: Read your declaration page! Ask questions, protect yourself and save money. Don't accept your

Agent's promise that you are fully covered. As you can see, this may or may not be true! For instance, you will be required to sign a waiver if you decline uninsured motorist coverage but this is not true for some other coverages which are automatically declined if not specifically purchased.

Don't let long, official and legal looking documents scare you. **READ, READ and READ AGAIN.** Know what you are buying and how much it is costing you. If you are in an accident don't be afraid to use your insurance or the insurance of the person who was at fault. The purpose of automobile insurance is to compensate you and others for your injuries and damages, not to make insurance companies wealthy!


POINT OF VIEW

"A hen is only an egg' way of making another egg."

-Samuel Butler
Life and Habi

Did You Know...

- That if you'd like to get the traffic conditions for any Los Angeles freeway, you can call Cal Trans Information at (800) 427-7623 and punch in the number of the desired freeway to get traffic conditions on that freeway? Not a bad idea to call before you leave for a destination or enroute by way of your cell phone.
- That if you are an employer with even *one* employee, you are required by law to have a *written* Sexual Harassment Policy on file in your office?
- That Americans are involved in one auto accident for each ten years of life (National Highway Traffic Administration and the National Safety Council, 1986-1995)?
- That Workers' Compensation law has undergone a lot of changes in the past 10 years. If you or a friend are injured on the job, please give us a call to find out exactly what your rights are. We also have written information available to help you. Just call us at (831) 466-9132



Ms. Southers is a prominent personal injury and Workers' Compensation attorney. She is available for free consultations. You may call her at (831) 466-9132 if you are in an accident or are injured at work.

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