

A Step-by-Step Guide to Buying Insurance

Brought to you by your local independent insurance agent



Step 1.

Consult a professional.

Shopping for insurance can be frustrating. Since insurance is intended to protect your most valuable assets – your car, your home, and even your life – you should definitely consult a professional. A local independent insurance agent will work with you to select the insurance coverages and limits which fit your needs. While price is certainly an important factor, it is not the only factor to consider. Price, discounts, claims handling, the location of your agent, or the financial health of the company are all legitimate factors you should consider when buying insurance. Ultimately, you must decide which features are most important to you.

Step 2.

Understand what you're buying.

The insurance which you are required to buy to put your car on the road are called “Compulsory Coverages.” They include:

Part 1. Bodily Injury to Others—This coverage pays for damages (e.g. medical expenses, pain and suffering) to anyone injured or killed by your car **only in an accident that occurs in Massachusetts**, up to basic limit of \$20,000 per person and \$40,000 per accident. Injuries to the driver or passengers in your car are **not** covered under this Part. If you drive outside of Massachusetts or on private property, or if you drive with passengers in your car, you need Optional Bodily Injury to Others (Part 5).

Basic Limits are NOT enough coverage! You could be sued for more than the required (\$20,000/\$40,000) limits for Bodily Injury to Others. Buying higher limits may protect you from large losses. Your agent can help you decide what limits are appropriate for you.

Part 2. Personal Injury Protection (PIP)—pays up to \$8,000 to you or anyone you let drive your car, members of your household, passengers and pedestrians, no matter who causes the accident. Personal Injury Protection pays for medical expenses, replacement services and 75% of any lost wages. PIP does not cover you while you are driving or riding on a motorcycle.

Part 3. Bodily Injury Caused By An Uninsured Auto—protects you, anyone you let drive your car, household members and passengers against injuries caused by an uninsured or unidentified (“hit and run”) driver. A minimum limit of \$20,000 per person and \$40,000 per accident is required.

Part 4. Damage to Someone Else's Property—pays for damage to another person's property and costs associated with the loss of use of that property, when you, a household member or another authorized driver cause an accident. A minimum limit of \$5,000 is required. With the rising costs of automobile and property repair, it makes sense to purchase more than the required \$5,000 minimum limit. Limits of \$50,000 or \$100,000 are available at minimal cost.

Coverages you may buy, or Optional Insurance Parts include:

Part 5. Optional Bodily Injury to Others—extends your liability protection (the basic \$20,000/\$40,000 limits under Part 1) up to the amount you purchase under this part. Part 5. also provides coverage for accidents beyond Massachusetts to anywhere in the United States, its territories or possessions, or Canada. This coverage also pays for damages suffered by passengers in your auto. Your agent can help you decide what limits are appropriate for you.

Part 6. Medical Payments—covers medical expenses for you, your household members and passengers, over and above amounts covered by Personal Injury Protection (PIP) no matter who caused the accident. The minimum amount you can buy is \$5,000 if insuring an automobile and \$500 if insuring a motorcycle.

Part 7. Collision—pays for damage to your car, less any applicable deductible, no matter who causes the accident. If your car is financed, your lender may require this coverage as well as a particular deductible amount.

Part 8. Limited Collision—pays for collision damage to your car. You must not be more than 50% at fault and the owner of the other vehicle must be identified.

Part 9. Comprehensive—pays for damage to or loss of your car, less any applicable deductible, resulting from perils such as fire, theft, vandalism, and striking an animal, but not collision. This coverage allows up to \$15 per day (to a limit of \$450) for substitute transportation (rental or other transportation costs including taxi, bus, and train fare) until your stolen auto is recovered. Personal property is not covered unless it is permanently installed in your car, such as a stereo. If your car is financed, your lender may require this coverage.

Part 10. Substitute Transportation—This coverage reimburses for car rental or transportation costs including taxi, bus, and train fare while your car is undergoing collision or covered repairs. Coverage from \$15 a day/\$450 max. up to \$100 a day/\$3,000 max. is available.

Part 11. Towing and Labor—This coverage pays for towing and labor costs incurred each time **your auto** is disabled. Your company will pay only for labor done at the scene to the extent that the labor was needed to get your car going.

Part 12. Bodily Injury Caused by an Underinsured Auto—pays for bodily injury to you, household members and passengers, unless they have a policy of their own, or are covered by a Massachusetts auto policy of another household member with similar coverage. The accident must be caused by someone without enough bodily injury coverage. It pays you up to the difference between the total amount collected from the bodily injury liability insurance covering the owner and driver of the other car and the limits you purchased for this coverage.

Step 3.

Make Your Coverage and Rate Decisions—Your agent will help you select the coverages and rate that fit you and your budget, walk you through the application process, prepare the documents you'll need to take to the Registry of Motor Vehicles to get your vehicle registered, and give you an indication of the cost of registration plates, title and sales tax for your vehicle. A deposit premium of will be due with the application to bind your coverage.

Step 4.

Register Your New Vehicle—You're now ready to go to a local Registry of Motor Vehicles branch and register your vehicle.

Step 5.

Review Your Policy—You should review your policy Coverage Selections Page when you receive it. And remember, your independent insurance agent is always available to provide "person to person" service whenever you have questions or a claim.