



## Do You Have Enough Auto Insurance?

*Although everyone is different and has different needs and financial considerations, the following are some general tips about how to protect yourself and your family.*

- **Liability Insurance**

This insurance covers people you injure with your automobile. Washington law requires that you purchase insurance that will pay a minimum of \$25,000 per person and \$50,000 per collision. If you injure someone and they file a claim against you, your insurance company will hire an attorney (at no charge to you) to represent you and protect your interests. If you do not have enough insurance to fully compensate the person you injured, you may need to hire (and pay for) an attorney to protect your personal assets. If you injure someone in a collision and you do not have this insurance on the date of the collision, you may receive a traffic citation, a fine, or have your driver's license revoked. In addition, when you attempt to purchase insurance thereafter, it will probably be very expensive. In other words, if you don't have insurance, don't drive! **We recommend that you have at least \$100,000 in Liability Insurance. If you have an above average income, own a home or have other assets, you should have at least \$250,000 in Liability Insurance.**

- **Personal Injury Protection (PIP) Insurance**

This insurance pays your medical bills from a collision. In some cases, it may also cover your passengers, pedestrians, and bicyclists. This insurance pays benefits regardless of fault. In other words, even if you cause a collision, PIP insurance may pay for your medical treatment. **Even if you have health insurance, you should purchase PIP insurance.** PIP insurance is better than health insurance because there is no deductible, no co-pay, and no pre-authorization requirement. You may choose any licensed healthcare provider to treat you, even alternative therapies such as chiropractic treatment, massage therapy, physical therapy, and acupuncture. PIP insurance is very affordable. PIP insurance also provides limited wage loss benefits, funeral benefits, and loss of essential services to compensate for things such as babysitting, lawn care, and house cleaning. Because the insurance company representing the person who caused the collision will not pay your medical bills until you are ready to settle your entire case, you need PIP insurance. **We recommend that you have at least \$35,000 in PIP Insurance. If you have an above average income, own a home or have other assets, you should have at least \$100,000 in PIP Insurance.**

- **Uninsured/Underinsured Motorist (UIM) Insurance**

Unfortunately, not everyone takes responsibility for his or her actions. Some people don't purchase even the minimum amount of liability insurance required by the State and other people cause injuries that exceed the amount of insurance coverage they purchased. Because you cannot rely on other people to adequately insure you against the harm they may cause, you must take responsibility for yourself and purchase sufficient UIM insurance to fully compensate you for injuries you may suffer through someone else's fault. If you are injured as the result of someone else's actions, your UIM insurance may compensate you in the event the other person's insurance is not sufficient, or in the event they do not have any insurance. In some cases, it may even cover you if you are injured as a pedestrian, bicyclist, or if you are a passenger in someone else's car. Although it may seem unfair that your insurance company would have to pay you, you are paying for this insurance coverage. It isn't something your insurance company is doing as a favor to you. UIM insurance is absolutely crucial. You cannot afford to be without it! **We recommend that you have at least \$250,000 in UIM Insurance. If you have an above average income, own a home or have other assets, you should have at least \$500,000 in UIM Insurance.**

- **Umbrella Insurance**

Umbrella policies float on top of your other insurance policies to compensate people who you may unintentionally injure at home or with a vehicle. This insurance provides insurance coverage in addition to your underlying policy to protect your assets from being seized by someone you may have injured. These policies vary from insurer to insurer. If you can purchase an umbrella policy that includes UIM insurance, it is a good idea to do so. **If you have an above average income, own a home or have other assets, you should have a \$1,000,000 Umbrella policy. If your net worth is over \$1,000,000, you should have an even bigger Umbrella policy.**