



Risks of Lowering Auto Coverage

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Lowering Coverage

If you have your eye on expenses, you may be tempted to trim your auto insurance bill by dropping or lowering your coverage—especially if you have not recently had a claim. Dropping some of your coverage—like comprehensive or collision—to the lowest legal level can cut your premium, but it could also put you at serious risk.

Study the following guidelines and work with Preferred Insurance Services, Inc. to ensure that the coverage you purchase is enough to protect your assets.

Which Coverage Do I Need?

An automobile insurance policy is designed to provide you with a level of protection against property, liability and medical costs if you are involved in an accident.

- **Property coverage** pays for damage to or theft of your car.
- **Liability coverage** pays for your legal responsibility to others for bodily injury or property damage.
- **Medical coverage** pays for the cost of treating injuries, rehabilitation and sometimes lost wages and funeral expenses.
- **Underinsured motorists coverage** pays for property damage and bodily injury caused by another driver whose coverage is insufficient to cover damages suffered.

Selecting the correct liability limits is fundamental. 100/300/50 means you are covered for up to \$100,000 in bodily injury coverage per person, \$300,000 in bodily injury coverage per accident and \$50,000 in property damage per accident.

Many states have minimum liability limits of 25/50/10, although some states are higher or lower than this. While it may lower your premium, reducing your liability limits to minimum legal levels and dropping underinsured motorists coverage could open you up to substantial risk.

Collision Insurance—Know the Worth of Your Car

Your policy will not pay for repairs that exceed the value of your vehicle. For this reason, if you are driving a vehicle that isn't worth more than a few thousand dollars, it may not make sense to purchase collision coverage. Preferred Insurance Services, Inc. can help you determine whether or not collision insurance makes sense for you.

Protecting Your Well-being

There are many reasons to buy insurance, but the best one is the financial security it provides. You insure yourself to protect your assets. A large accident could easily exceed low insurance limits, putting your house, savings and investments at risk. If you've dropped underinsured motorist coverage, you could be risking even more. Accidents happen to cautious drivers, too, and having adequate insurance can save you from serious financial burden should one happen to you.

We can help you determine which automobile insurance coverage is needed and what limits to buy. Contact Preferred Insurance Services, Inc. at (703) 359-5910 today to discuss your options.

Best Ways to Save on Your Premium:

- Consider raising your deductible
- Keep up your good driving record
- Drive less to qualify for a low-mileage discount
- Drive a car with safety features such as anti-lock brakes, airbags, etc.
- Install an anti-theft device
- Ask about our multi-policy discounts

Selecting Liability Limits

Most states require car owners to purchase a minimum of bodily injury and property damage liability insurance. In the event of a serious accident, you want enough insurance to cover a judgment against you in a lawsuit, without jeopardizing your personal assets, such as your home and savings.

By purchasing liability limits to account for both your current assets and future net worth, you can help protect yourself against this risk. We will help you select limits that meet your unique needs.



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Know your coverage, know your risk.

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