

DIRTY LITTLE SECRETS

...About Automobile Insurance Policy Limits

By: Gregory A. Culver CLU, ChFC

Let's suppose you are driving through a green light at an intersection and a large beer truck owned by an international company runs a red light causing you severe bodily injury. In fact, now you are no longer able to work at all. Let's also suppose the driver admits he was late for work and not paying attention. How much financial compensation would you like to receive for this accident? Remember you will never work again. You will experience pain, suffering, and depression like you wouldn't believe. Let's suppose you had earning ability for another 30 years and were earning \$100,000 per year. Assuming a 5% annual increase, you would have earned \$6,643,885 - if only he had not run that light. How much money do you want?

Now suppose the other vehicle was uninsured. The maximum you can collect is the amount of Uninsured Motorist Coverage you carry on your policy. The difference in the two sums is staggering, isn't it?

What if it was you who ran the red light? The maximum the Insurance Company will pay is your policy limit. By the way, the party you hit will undoubtedly be trying to collect a figure similar to yours. Where will the money come from? Will this cause you to file bankruptcy? Will bankruptcy protect you?

What are the odds of something like this happening? Who cares! If the odds are one in a million and you are the one losing your home, your wealth, and perhaps even your self-respect, what difference do the odds make?

How much coverage should you carry? The maximum the insurance company will allow on your policy for both bodily injury and uninsured motorist bodily injury coverage is the only correct answer. Even more shocking and the "dirty little secret" is how little it costs to carry the maximum coverage on bodily injury. Consider the following: my own personal auto policy with Erie Insurance Exchange would cost \$1,698 per year - for limits of \$250,000 for bodily injury and uninsured motorist, but for only 8.42% more, I carry \$1,000,000. Can you believe anyone would give up all that coverage, \$750,000 more, for only 8.42% more premium? That is minimal to protect myself as fully as possible without buying additional policies. If you already have the maximum we can write for you, I congratulate you. If you don't, take a few minutes to call us and protect yourself as fully as possible today!