



CAUTION:

Slippery Auto Insurance Choices Ahead

Coverage on Colorado automobile insurance policies took a steep curve after July 1, 2003. Due to a new law passed by the Colorado Legislature this year, Colorado will change from the former “no-fault” system to a new tort system. This is a system where the driver who is at fault for causing a traffic accident is responsible for paying the victim’s medical expenses and compensating for additional damages, such as loss of wages and “pain and suffering.” Currently, 37 other states operate auto insurance using some type of tort system.

You’ll want to educate yourself to make sure your coverage fits your needs in the event of an accident – AND shop around for the best price. Here is an explanation of the **MANDATORY** and optional coverages:

■ **Bodily injury liability coverage (BI)** (MANDATORY):

\$25,000 per person and \$50,000 per accident in Colorado) covers injuries YOU cause to others if you are at-fault in an accident. These mandatory amounts have proven to be inadequate in other states AND Colorado because 1) there is a

greater incidence of liability claims under a tort system; 2) liability insurance will not go as far; 3) and there will be more competing interest to claim dollars from liability coverage. Many insurers recommend carrying at least \$250,000 per person and \$500,000 per occurrence, plus \$100,000 for property damage. You should consider what assets you have to protect when deciding how much to purchase.

In addition, consider purchasing Uninsured/Underinsured Motorist Coverage (*discussed later in this newsletter*) for protection from people who may not purchase enough insurance or any at all.

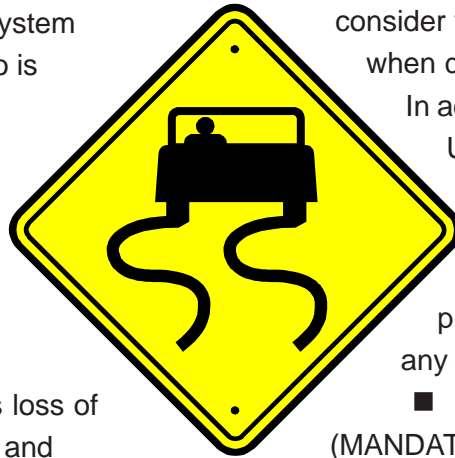
■ **Property liability coverage**

(MANDATORY: \$15,000 in Colorado) covers damages YOU cause to someone else’s property. Usually it’s someone else’s car, but it could apply to buildings, utility poles, garage doors, etc. As previously mentioned, many experts recommend at least \$100,000 in property damage coverage.

■ **Collision coverage** (*optional*) covers damage to your car from a collision with another car or object such as a tree or brick wall. To minimize your premiums, select a deductible you can live with - \$500 or \$1,000.

■ **Comprehensive coverage** (*optional*) is in case your car is stolen or damaged in ways

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that don't involve a collision, such as theft.

■ **Uninsured & UNDERinsured (UM/UIM) motorist coverage** (*optional*) is available in two forms - property damage coverage and medical coverage to pay your bills when a driver without insurance or with NOT ENOUGH insurance hits you. Since this is optional coverage, insurance agents may urge you to eliminate it to keep your premium down – BUT DON'T DECLINE THIS COVERAGE. Again, consider purchasing at least \$250,000/\$500,000 limits to protect you, your family, and your assets.

■ **Medical payments coverage (Med Pay)** (*optional*), pays for reasonable expenses you and your passengers incur because of injury in a motor vehicle accident, regardless of fault. Be sure the Med Pay you purchase covers care you may need in the event of an accident, such as chiropractic treatment and massage therapy. Even if you have health insurance, there may be limitations on what types of health care are covered and various exclusions. Your health insurance may not cover resident relatives and will definitely not protect other passengers or people who borrow your car. Med Pay is a necessity if you consider these factors. Ask about the monetary levels offered by your insurance carrier and select mid-to-high levels of \$5,000 to \$25,000 or more. If your auto insurance carrier DOES NOT offer Med Pay or the limits are too low, choose another insurance company that offers what you need to protect yourself.

■ **Essential services and rehabilitation** (*optional*): These coverages will be eliminated under the new Tort law. These types of losses will be included in BI or UM/UIM, but not available to other injured parties. Some insurers may sell extra coverage in this area, but are not required to do so.

■ **Umbrella policies** (*optional*): It is expected that many people will purchase only the state's minimum coverage, so it will be more important than ever to protect yourself by purchasing adequate coverage. Ask your insurance agent about purchasing an Umbrella Policy that includes UM/UIM coverage.

For more information, check with your auto insurance agent or visit the Colorado Division of Insurance web site at www.dora.state.co.us/insurance. ■

Avoid Accidents - Prevent Injury with Defensive Driving

Wear your safety belt. Make it a rule: Everyone must be buckled up before the vehicle moves. A lap belt and shoulder belt, properly used, will minimize most injuries due to a crash. In 2002, 736 people died in motor vehicle crashes in Colorado – 69% WERE NOT wearing safety belts.

Don't drink and drive. Alcohol slows reaction time and decreases awareness – it's dangerous AND illegal to drive while under the influence (DUI). 59% of DUI-caused crashes resulted in fatalities or injuries in Colorado in 2002.

Yellow means prepare to STOP. Don't gun it through a yellow light – STOP. In addition, when your light turns green, watch for other cars that may be gunning it through the yellow.

Keep your vehicle in shape. Check the following items regularly: brakes and brake fluid; belts; tires and tire pressure; engine fluids; lights; wiper blades; AND clean your windshield.

Don't get SUV overconfidence. The bigger the vehicle, the tougher it is to stop. Also, it may roll over if you make a turn too fast or are driving in high winds - which is often the case in Colorado.

Know how to react to trouble. If you have anti-lock brakes, don't pump them. Press them down as hard as you can. If you go into a skid, turn the steering wheel in the direction you want the front of the car to go; that will keep the vehicle from skidding out of control. Then prepare to counter-steer 2 or 3 times.

Leave some space. Follow the three-second rule. After the vehicle in front of you passes a stationary object, you should be able to count for three seconds before your vehicle passes the same object. Add one second or more in bad driving conditions such as ice, fog, rain, or snow.

Defuse road rage. One-fourth of drivers in recent AAA survey admitted they have expressed anger at other drivers. To avoid becoming a road-rage statistic, leave more room between yourself and other drivers. Stay out of the left lane if you're going slow – and don't play games on the road

*Thank you to www.defensivedriving.com,
the Colorado State Patrol, and the National Safety
Association for information used in this sidebar article. ■*