WHAT IS INSURANCE?

INSURANCE IS A PROMISE….

- Transfers the Risk
- Protects your financial assets
- Grudge Buy
- You hope you never have to use it



WHY DO WE BUY INSURANCE?

- State law requires it
- Loan or other interested party requires it by contract
- Peace of mind



TYPES OF COVERAGE

- Auto
- Home or Renter's
- Life and Health











AUTO INSURANCE – FIRST PARTY COVERAGES

- Collision
- Other than Collision
- Uninsured Motorist Property Damage
- Uninsured Motorist Bodily Injury
- Rental
- Medical Payments

What is full coverage?





AUTO INSURANCE – THIRD PARTY COVERAGES

A limit of liability coverage that you opt for to protect others for damages which you are legally responsible.

- **Property Damage Liability**
- **Bodily Injury Liability**

HOW MUCH IS ENOUGH COVERAGE?

15/30/5	**100/300/100**
25/50/25	**250/500/100**
50/100/50	**500 CSL +**

How much risk to transfer?				
Deductible	**Column1**	**$250**	**$500**	**$1,000**
Case A				
Value of Vehicle	$1,000			
Cost of Insurance		$550	$450	$350
Damages (Appraisal)	$2,000			
Insurance Pay		$750	$500	$0
Case B				
Value of Vehicle	$10,000			
Cost of Insurance		$850	$650	$400
Damages (Appraisal)	$2,000			
Insurance Pay		$1,750	$1,500	$1,000
Case C				
Value of Vehicle	$20,000			
Cost of Insurance		$1,000	$850	$600
Damages (Appraisal)	$2,000			
Insurance Pay		$1,750	$1,500	$1,000

WHAT IS A DEDUCTIBLE?

- Lowers the cost of your premium.
- Lower the deductible, the higher the premium.



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RENTERS INSURANCE

- Affordable protection
- Protects your personal belongings
- Liability coverage
- Covers your belongings when you travel
- Required by your landlord
- May cover additional living expenses

HOMEOWNERS INSURANCE

- Protect your investment
  - Dwelling – the structure
    - Floods/Earthquakes
  - Personal Property - Safeguard your valuable items
- Liability coverage
  - Accidents
  - Trees
  - Slip and Falls
  - Dog Bites
  - Workers in your home
- Additional Living Expenses



LIFE INSURANCE

- Term Life
- Permanent Life – the most common of these are:
  - Whole Life: accumulates a cash value
  - Universal Life: Could offer flexible premiums adjusted over time.





Differences:

Term Life is often less expensive and for a set time frame vs. Permanent life is in effect as long as the premium is paid.



REMEMBER THESE 3 THINGS….

Re-evaluate needs every year to ensure you are adequately protected (limits, types)

Be mindful of who operates your vehicle (owner liability)

Read your insurance contracts so you know what is covered. (out of country, intentional acts)

As your assets increase so too does your potential financial exposure

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