

# Auto Insurance Coverages and Colorado State Requirements

**Bodily Injury Liability (BI)** coverage covers your legal liability for an accident you cause in which someone else is hurt or killed. Many financial experts recommend carrying at least \$100,000 per person and \$300,000 per occurrence - commonly expressed as "100/300." Consider what assets you have to protect and what you can afford when deciding how much to purchase.

- Colorado requires limits of \$25,000 per person for bodily injury, \$50,000 per accident for bodily injury—commonly expressed as "25/50."

**Property Damage Liability (PD)** coverage covers you when you damage someone else's property. Usually it's someone else's car, but it could apply to buildings, utility poles, garage doors, and other physical property.

- Colorado requires a limit of \$15,000 per occurrence.

**Uninsured/Underinsured Motorist Bodily Injury (UM/UIM)** coverage covers medical and other expenses when you are hit by a driver without adequate auto insurance.

In Colorado, insurers are required to offer UM/UIM in the same amount as the bodily injury liability limits you select. UM/UIM can be waived only if it's rejected in writing. You may select limits starting at \$25,000/\$50,000 (same as Colorado's minimum liability limits) on up to the same amount of liability coverage you purchase on your own policy. Most people choose to carry it because it can cover your economic damages such as medical bills, as well as some non-economic damages should the person who hit you be uninsured or underinsured.

**Uninsured/Underinsured Motorist Property Damage (UM/UIM)** coverage covers damage to your car if hit by an uninsured motorist, but many people instead just purchase collision and comprehensive. This coverage is not required.

**Medical Payments** coverage covers medical bills for you or your passengers regardless of who is at fault in an accident. In Colorado, insurers are required to offer \$5,000 in coverage. Medical Payments can be waived only if it's rejected in writing. Depending on your carrier, you may be able to select limits of \$5,000, \$10,000 or \$20,000.

**Collision** coverage covers damage to your car if you run into another car, a brick wall, a fire hydrant, or other object. This coverage is not required by law, although your bank may require it if you have an auto loan. You may choose a deductible on this coverage—what you must first pay out-of-pocket for a claim before the insurance kicks in.

**Comprehensive** coverage covers you in case your car is stolen or damaged in ways that don't involve a collision. Covered risks include hail, fire, theft, flood, earthquake, explosion, falling objects, and encounters with wildlife, such as deer. Comprehensive is optional coverage, though your bank may require it if you have an auto loan. You may choose a deductible on this coverage.

**Roadside Assistance** coverage covers you when you need help on the road. This coverage is not required, and each carrier has their own policies on what is included, but most typically include towing after a breakdown. Some carriers include lock out service, flat tire changes, battery jump starts and more. It's a good idea to find out what exactly is covered by your carrier if you choose this option.

**Rental Reimbursement** coverage pays for a rental car while your car is getting repaired after an accident. This is not required coverage, but it may come in handy. Most carriers let you choose a daily reimbursement limit - up to 30 days.