

Insuring an Older Used Car By Basil Housewright

Are you thinking about buying a car and considering an older, used vehicle? You will not need to follow lenders requirements about having auto insurance coverage if you purchase a used car or truck for cash and free and clear of any financing. It will be a personal decision if you carry physical damage coverage which covers the vehicle itself if it is damaged by a collision in which you are at fault or other than a collision such as theft, vandalism, flooding, catching fire, etc.... If the replacement value of the vehicle is very low you may consider only carrying liability coverage which takes care of the other person(s) if you're involved in an accident and at fault. You will need to purchase at least the minimum auto liability insurance coverage limits set by the State of Texas.

The minimums in Texas for liability coverage are:

30/60/25 30=\$30,000 - 60=\$60,000 - 25=\$25,000

First number (30) = bodily injury liability maximum for one person injured in an accident. Meaning injury to a person in the other vehicle.

Second number (60) = bodily injury liability maximum for all injuries in one accident. Meaning injury to all people in the other vehicle.

Third number (25) = property damage liability maximum for one accident. Meaning to cover damage for the other car(s) or other property such as a building, traffic signal, sign, landscaping, etc....

The State of Texas required minimums are among the highest in the United States for liability coverage, but are actually very low when compared with the costs of medical care and vehicle repair and replacement. Discuss the amount of coverage you need for your situation with a professional auto insurance agent. Many will suggest at least insurance coverage amounts of 100/300/100 if you have adequate income and own assets. Even these limits can be very low when you consider the cost of bodily injury for another person if they are seriously injured and taken to a medical facility and spend several days in intensive care. The cost of being life flighted is in excess of \$20,000 in many areas. The \$100,000 property damage limit is also very low with cost of automobiles nowadays. Consider if you're in an accident and you are at fault and multiple other vehicles are involved with serious damage. A \$100,000 property damage limit can be exhausted very quickly.

Our recommendations are carry the highest limits that your budget can comfortably afford because realistically if you can't afford it you probably will not keep it in force. If you have above average assets we also recommend you consider additional coverage of higher limits and through the purchase of a personal umbrella policy which is sold in million dollar limits. You can never have too much coverage considering what could happen on our congested roads.

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