



101 Main St. Suite 3, Cassville, MO 65625

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## Auto Insurance 101

Not all insurance is created equal. Why is cheaper not always better? I have put together this short guide to breaking down your auto insurance policy. This brief coverage description will give you a small amount of insight when it comes to assessing your true needs.

We all want cheaper insurance.... but what does cheaper actually cost us?

### Breakdown

- BIPD (Liability) – This section is broken into 2 parts. One of the most important coverages in your auto policy is bodily injury and property damage liability coverage. This coverage compensates individuals who claim that they were injured or suffered property damage because of the ownership, maintenance, or use of your insured auto, up to a limit that you select.

25,000/50,000/25,000. This is how it will read. The first 2 numbers mean a limit of up to \$25,000 per person and a cap of \$50,000 per accident. The 3<sup>rd</sup> number is for property damage, up to \$25,000.

These numbers seem low don't they? After all, how far will \$25,000 go towards serious medical expenses in a wreck? What about \$25,000 if you total the other vehicle? If you answered something like "Yikes, not very far!" you would be correct. These are state minimum limits. It's the bare minimum required by law. There are a couple of other cost-effective options that will increase these limits without you needing to shell out another \$20 per month.

- Comprehensive & Collision (material damage): Comprehensive coverage compensates you for damage to your vehicle from fire, theft, falling objects, riots, storms, earthquakes, floods, collision with a bird or animal and other natural occurrences. Collision coverage compensates you for damage to your vehicle that results from a collision with another vehicle or object.

Typically, the higher your deductible the lower your monthly premium. But how much lower? The average cost difference between the different deductible amounts is around \$8 [+/-] per month. Did you know that you don't always have to carry the same deductible for both comp and collision?

- Rental Car/Travel Expense – assistance with a rental while yours is being repaired
- Medical: This coverage pays reasonable and necessary medical bills and funeral expenses, up to a limit you select, for you or a passenger injured while riding in your vehicle. Coverage also extends to you or a family member when riding as a passenger in someone else's vehicle or when struck by a vehicle as a pedestrian.

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- Towing and Roadside Service: When you or your loved ones are stranded because your car will not operate and you need help, our dispatch service will send the nearest professional to you - 24 hours a day, 365 days a year. And with the sign-and-drive feature in many of our coverages, you may not need a credit card or check to get the help you need.
- Uninsured/Underinsured Motorist: This coverage compensates you, members of your household, and your passengers, up to a limit that you select, for bodily injury from an accident with a motorist who has no insurance or is underinsured. Uninsured Motorist protection can also compensate you if you're injured by a hit and run driver or if you're injured as a pedestrian.

These are just a few of the coverages offered for a common auto insurance policy. Each of these has its own set of quirks that can be a little different carrier to carrier or even between different policy types.

Farmers also offers several policy perks and extra coverages that can add tremendous value to your policy and lower the out-of-pocket expenses to you.

- New Car Replacement – we buy you a new year model in the first 2 yrs/24,000 miles.
- Collision plus / Loss of Use – This coverage is designed to assist you with expenses you may incur in excess of the deductible resulting from a Collision and/or Comprehensive loss.
- Glass deductible buyback – chips repairs are \$0 out of pocket and replacement is \$100 deductible
- OEM Parts Replacement – we will put OEM parts on your vehicle. Not aftermarket.
- Accident Forgiveness – cause a wreck... we will forgive the first one
- Rideshare Coverage – drive for Uber? This is coverage for the times Uber isn't covering you.

This just barely scrapes the surface when it comes to an insurance policy. But all of this can make a huge difference when you have a claim. All these coverages have limits in place that are important to understand.

Let us help you navigate these tricky waters. We will present you with a well-rounded quote and work with you to find the best coverage and price balance to truly fit your unique situation. Contact us today to set up a time and see why we will be the last insurance office you need...

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