

# COLLISION VERSUS COMPREHENSIVE COVERAGE

Though state laws may not require you to purchase both collision and comprehensive coverage for your policy, doing so can protect your financial well-being.

## The Basics

Collision and comprehensive coverage offer financial safety nets in the event that your vehicle is physically damaged and needs to be repaired or replaced. If you are financing a loan for a car, your lender will most likely require both collision and comprehensive coverage as part of your car insurance policy.

### Collision Coverage

Collision coverage may pay for the cost of repairing damages to a vehicle due to an accident, either with another vehicle or an object. Typically, you will collect only the actual cash value of your car versus the replacement cost value.

- Collision coverage is generally the most expensive portion of a car insurance policy. It comes with a deductible you must pay for each claim.
- Premiums are based on a number of factors, including your deductible, driving record and the type of car you drive. If your driving record is clean (no or very few tickets or accidents), your premiums may be lower because you are less likely to have a collision.

### Comprehensive Coverage

Comprehensive coverage may pay for damage to your vehicle that is caused by theft, vandalism, fire, natural disasters or hitting an animal.

- Comprehensive coverage comes with a deductible, and the insurer may only pay as much as the vehicle is worth at the time of the incident.
  - To calculate how much your car is worth, look up the Kelley Blue Book value or the National Automobile Dealers Association's Official Used Car Guide value. If your car is low in value, the yearly premiums for comprehensive coverage may not be a sound investment.
- Comprehensive coverage has limitations, so it's best to review your policy carefully to make sure you are properly covered.

## 5 Ways to Save on Your Auto Premiums:

1. Consider raising your deductible to lower your monthly cost.
2. Maintain a clean driving record.
3. Establish a solid credit history.
4. Install an anti-theft device in your vehicle.
5. Explore available discounts, such as bundling.

## We're Here to Help

Contact us today to learn more about collision and comprehensive coverage and how we can protect you against losses.

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Camargo Insurance

513.561.5311

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