

Insurance plays an extremely important role in the life of the entire American society and in the life of the individual family. We will talk about car insurance simply because everyone faces it almost immediately upon arrival in the country. The need for other types of insurance arises later, as income increases, the emergence of real estate, preparation for retirement, etc. We will talk about this elsewhere.

The focus will be on the following issues:

1. Why you need to be insured
2. Coverage: what we need and within what limits
3. That affects the cost of insurance. On what it is possible and on what it is impossible to save.
4. How insurance companies sell insurance policies
5. Where and how to buy insurance-agents, brokers, direct (online, by phone, etc.)
6. Bullshit-Myths and reality of auto insurance and American life in General
7. Kidalovo and how not to become a victim of crooks
8. What to do in typical problem situations

1. Why you need to be insured

Insurance is regulated by law at the state level, not at the Federal level. From this follows a very simple and important

Conclusion #1-you can only Trust the information received from a specialist in insurance in Your state. Any information on other States may be completely inapplicable outside of those States.

Our narrative will be conducted in relation to the state of California, and the author of these lines is a licensed insurance agent.

In almost all States (there are exceptions), car insurance is mandatory in terms of LIABILITY (civil liability), that is, if we suffered a stranger. The amount of coverage required varies from state to state. For example, in California, this amounts to up to \$15,000 body injury per casualty and up to \$30,000 for more than one. In addition, there is a liability for damage to other people's property - \$5,000. All this is based on one exident. Typically, fractional notation is used to Express coverage sizes. The 15/30/5 entry corresponds to the California state coverage described above, which every driver is required to have by state law.

Driving without insurance is a serious crime and is severely punished.

Life advice: Never enter into any relationship with people who drive a car without insurance or argue that it is possible, justify why this type of crime is nothing terrible. These people are on their way to a lot of trouble – no need to keep them company.

According to police statistics in California, 28-30% of drivers have no insurance at all. Add to this the same percentage of people who have the minimum required coverage and you will understand that if something serious happens to You on the road, there is almost no chance to get money from the perpetrator. Hence

Conclusion #2-you Can not expect that in case of trouble you will be covered by someone else's insurance – you need to have your own.

States are divided into

- At Fault (for example, California-the victim is paid by the insurance of the culprit of the accident)

- No Fault (example, Arizona-regardless of fault Your damage is compensated by Your insurance)

Conclusion #3-Need to know what system in the state, where You live or are going to live.

If a person is practically a beggar and is going to remain practically a beggar for the rest of his days, then driving without insurance does not bother him financially – he has nothing to take. In all other cases, the amount of insurance should protect the driver from judicial seizure of his property and income (including future income).

In addition, talking about why the driver should be insured, we should know that there are no other activities in our lives that are close to the danger of driving a car. Therefore, it is worth asking the question like " am I such a bastard that I will risk the lives and health of other people to save a dozen or two a month on their crippled life?»

2. Coverage(covers): what exactly we need and in what limits we do not have the task to go through all the available coverage, possible in the world of auto insurance. To do this, there are plenty of sources on the web, books, and, not least, Your insurance agent. We, on the contrary, will try to see the problem as a whole, without clouding it with too small details.

Liability Coverage-this is when we are judged or can be judged, regardless of the validity of the claims and regardless of what the case will end, if it gets to court. 95% of cases do not reach the court, because the parties reach settlement or one party sends the other and she calms down, not bothering with the court. The insurance company under this article pays for us not only the damage that we have brought to the health or property of other people. It also pays the litigation cost, that is, the cost of litigation. Sometimes without any compensation, just to fend off completely absurd claims, tens of thousands are spent on lawyers.

A person can not be judged on an amount greater than his assets, which include Bank accounts, equity in real estate, shares, and, very important for beginners-garnishment of wages (deductions from wages for 10 years in advance from all family members in the amount of 25%). That is, there is nothing to take away from the young woman who arrived a month ago. But, within 10 years, a husband and wife can earn together, for example, 160 thousand a year. Then they can be withheld for 10 years 400 thousand dollars. In what situation from the culprit of accident the court will take away everything that it has? – in case of death of the person, in case of disability. The amount of damage also depends on the solvency of the victim. The moral damage (pain and suffering) of a serious lawyer or doctor who has lain three months in a cast is much more expensive than the same for a construction worker.

Obviously, we as drivers can not control how many other people's cars we will damage in the event of an accident, nor their prices, nor the number of drivers and passengers traveling in them, nor the severity of their injuries, nor the cost of their subsequent treatment. Therefore, to determine the amount of insurance liability, we proceed from the worst. Something so bad has happened because of us that they want to take everything from us, to the maximum. How much can you take away from us if you take away everything, including 25% of the salary for the next 10 years? On this amount and need to insure liability in the part that is responsible for damage to human health (Bodily Injury-the first two components of our fraction). Very soon there will come a point when the \$500,000 maximum coverage offered on auto insurance will not be enough. Then we will need additional coverage in the form of Umbrella Insurance. The need for insurance coverage varies over time. Where we have a very important

Conclusion #4 - the amount of insurance coverage should be periodically reviewed, commensurate with the growth of potential liability.

Uninsured Motorist Bodily Injury (UMBI) – covers our moral damage and bodily injury in the event that we are injured by an uninsured (or underinsured) driver. That is, if the culprit of the accident does not have enough Liability Coverage. We take this coverage in the same amount in which we take the Liability on your car, no less. The principle is that you need to insure

yourself no worse than we insure strangers from ourselves.

Uninsured Motorist Property Damage (UMPD) – covers damage to our vehicle in similar circumstances, that is, if we are injured by an uninsured (or underinsured) driver.

If we ourselves damaged our car, the damage will be covered either under the article Collision (physical collision with a car, house, curb, overturning) or under the article Comprehensive (everything else—a collision with an animal, theft, vandalism, hail, flood, etc.). Collision and Comprehensive can be bought with different deductible (the amount paid to the insured before the insurance company starts paying). Choosing deductible more, a person saves on the cost of insurance, but loses in the event of an accident. If a person has been driving accident-free for many years, then it makes sense to think about a high deductible on Collision, for example, \$1,000 for Comprehensive, which costs ridiculously little, you can go for \$250, because there is not much to save on.

Medical Coverage is a pretty curious coverage. Several thousand dollars, usually 2-5 thousand, purchased under this article, are spent without finding out the culprit. If you need medical care for a large amount, the expense will go with the Liability of the culprit. Here the culprit is not detected. Need a aid (bandage, gypsum put an, to doctors nga several receptions go, x-ray, and the like.)- here, there is money. The idea is that a person who was helped immediately and treated humanly will not be sued as often as a person offended.

3. What affects the premium (cost of insurance policy) Factors that affect the cost of insurance is quite a lot and what is important to know—there are differences between companies in how they look at certain problems and what ksidki and what they offer.

Moreover, it is very important to understand that the agent or broker representing a particular company knows about ways to reduce the cost of an order of magnitude more than we can think about it from the outside. Moreover, among the experienced and knowledgeable agents there are those who work with a large number of new immigrants – they know more about how to pull out of the system the best price. Because insurance for beginners has its own characteristics.

So, the cost of insurance is affected:

- car (price, age, model, availability of some installed technical details). The agent, entering into the system VIN (vehicle identification number) - 17 digit combination of numbers and letters, instantly receives all information about the car in its factory manufacture.

Answering questions about mileage newcomers often say something inadequate, such as 10 thousand a year. Have mercy, there is no work, or he Yes it goes on foot (goes by tram). Where 10 thousands of? Why pay for something that is not yet a fact of life? Very often people scored inflated figures. the driver, driving experience, tickets and accidently over the last 3-6 years - territory, literally zip code of the place where the car stays overnight

- a set of coverages (liability, property, medical, towing, rental car, glass deductible buyback)

- the amount of coverage and deductible selected

- special discounts (discounts)

1. 2 and more cars in the family if they are insured in the same company

2. availability of renter's insurance (renters insurance) or home insurance in the same company where cars are insured

3. Profession (the list is quite large) – engineer, doctor, teacher, etc. This discount applies to all drivers in the family.

4. Insurance experience with this company (persistence discount)

Keep in mind that the criteria by which it is determined to give or not to give a particular discount, vary greatly not only from company to company, but also, oddly enough, from agent to agent working for the same company. For example, you give the agent your foreign diploma. He turns it in his hands and says:

- agent #1: we do not count foreign diplomas

- agent #2: you have to evaluate it. Here's the phone. Pay \$ 200, get a certificate in a month, send it to me. Without this discount (15%) can not give.

- agent #3: now will do a copy of. Then I'll translate it myself and put it into production. You will receive a discount from the first day.

All three agents know their business, but the knowledge of some details is different. The first has no experience with foreigners. The second knows only the formal requirements, but does not know how the underwriting department actually works. The third knows on that looks underwriter and makes adequate read more, which all suits.

There are good and at the same time cheap coverings on which it is impossible in principle to save anything simply because it is very cheap:

- Uninsured Motorist (8-10-12 dollars a month)

- Comprehensive. I advise having a minimum deductible - \$ 250, for example. The difference between 250 and 1000 deductible will be a couple of dollars per month.

The most expensive part in car insurance is Collision, which is understandable-the car is broken and they need to be repaired. By manipulating deductible in this coating, we see a very serious price difference.

In principle, the cost of Liability is comparable to the cost of Collision, but we can only manipulate the amount of coverage in Liability, which is absolutely unacceptable, otherwise we risk very serious losses in a serious accident. Therefore, if you need to stay within a modest budget, then increase deductible, but do not touch Liability. Still it is possible to get rid of some convenient, but not critical coverings, for example, the rent car.

From all the above I would make only one fundamentally important conclusion for a beginner:

Conclusion #5 - do not insure online or by phone – it is dangerous and too expensive. You need an agent or broker to whom You will come to the office, sit next to him at the computer and interactively work with him for half an hour on your insurance.