

Auto Insurance

1. What model and year of car will you likely have by the time you graduate?
2. Will the car be paid off or will you still be making payments on it?
3. Put an "X" in the "Include" column if you plan to carry the type of auto insurance in your policy. If limits apply to a coverage that you include, indicate the limits you will carry. On the other hand, if a deductible applies, specify the deductible you will carry.

| | INCLUDE | LIMITS YOU WILL CARRY | deductible you will carry |
|--|---------|--------------------------|------------------------------|
| <i>Liability</i> | | | |
| <i>Comprehensive</i> | | | |
| <i>Collision</i> | | | |
| <i>Medical Payments</i> | | | |
| <i>Uninsured Motorist</i> | | | |
| <i>Underinsured Motorist</i> | | | |
| <i>No-fault (Personal Injury Protection)</i> | | | |
| <i>Rental</i> | | | |
| <i>Towing</i> | | | |

Stewardship in Action: A cardinal rule of insurance is to self-insure for small losses. For example, if you are willing to select a higher deductible on coverages having one, you can reduce your premium significantly.

There are many ways to reduce your auto insurance premium; several are listed below. You need to be familiar with these methods your insurance agent may not ask you about them.

1. *Raise your deductible on comprehensive and collision.*
2. *Drop comprehensive and collision when your car is five or more years old.*
3. *Drop medical payments if you have good health insurance.*
4. *Maintain a good driving record.*
5. *Take a drivers education course.*
6. *Maintain a good grade point average.*
7. *Insure more than one car with the same company.*
8. *Insure your car and home with the same company.*
9. *Buy cars that are economical to insure.*

10. *By cars equipped with safety devices.*

A caution: Do not lower your liability limits in an effort to reduce your premium. With today's high medical costs, large court awards, and expensive cars, many financial planners recommend limits of at least 100/300/50.