

What Is Auto Insurance And Why Do I Need It?

Simply put, if you drive, you need an auto insurance policy.

Mississippi follows a fault-based system, meaning the person responsible for the accident is responsible for the financial aspects of the accident. Pain and suffering, lost income, injuries related to the crash, and property damage are all included in this financial responsibility. If you have license plates/tags on your vehicle without automobile insurance, you are subject to strict fines and penalties. If you are driving without insurance, you run the risk of being fined up to \$1,000 and the suspension of your license for up to one year.

Liability Coverage

In order to ensure that other parties have access to compensation they need to recover from an accident, all drivers in Mississippi are required to carry liability insurance. Your liability insurance will cover your financial responsibilities if you are found at-fault in an accident.

Vehicle Coverage

There are four parts to vehicle coverage:

1. **Collision Coverage** offers protection for your vehicle if you are found at-fault in an accident. This coverage pays to fix the damage to your vehicle.
2. **Comprehensive Coverage** offers protection for your vehicle if your vehicle is stolen, vandalized, and includes protection from damage by weather or fire.
3. **Rental Car Reimbursement** coverage is an optional coverage, and it provides reimbursement for a rental car while yours is being repaired after an accident.
4. **Roadside Assistance** option will cover the costs of having your vehicle towed to a repair shop.

Some people don't play by the rules

Nearly 25% of Mississippi drivers get behind the wheel without insurance! This means that if they are at fault, they have no liability coverage to pay you for any pain and suffering, lost income, or property damage you suffer as a result of a crash.

Uninsured Motorist Coverage will compensate you when the driver at fault has no insurance.

Underinsured Motorist Coverage provides protection for you when the driver at fault

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does not have enough insurance to cover the damage that they caused. Your injuries, loss of income, future medical costs, pain and suffering, and rehabilitation costs can all be included.

A good insurance agent will ask questions to help you determine the type and amount of coverage you need. Is your vehicle used for pleasure or a commute? Is it a business use vehicle? How many miles do you usually drive each day or year? Do you have a clean driving record? Even your credit score will determine how much you will pay for insurance.

Some basic terms:

Deductible is the amount you'll pay out of pocket before your insurance kicks in. The lower deductible, the less you'll pay out of pocket if an accident occurs. A higher deductible can lower your premium.

Limits of liability are the most your insurance will pay if you make a claim.

Just like it sounds, an **umbrella policy** provides an extra layer of protection beyond what your homeowner's insurance policy covers.

Bundle up! Most insurance carriers will lower your insurance premiums if you have multiple policies with the same insurance company.

Horizon Insurance Group has been insuring Mississippi families and businesses for over 15 years. Call us today at **(601) 389-5971** to discuss your insurance needs.

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