

About this guide

To use this guide effectively you need to choose which of the four drivers (driver A, B, C or D) most closely compares to you and then determine the category that reflects your experience as a driver. Preferred programs are for drivers with the best driving records, standard programs are for drivers with average driving records and non-standard programs are for drivers with poor driving records.

The premiums quoted in this guide were drawn from a survey of 2002 premiums and are based on a 4-door sedan, 2001 Ford Taurus LX. All premiums in this guide are for a coverage period of six months and reflect a comprehensive deductible of \$250 and collision deductible of \$250 unless otherwise noted.

Coverage limits for the vehicle are the minimum required by law, unless otherwise noted. Read the explanations below for a careful examination of these minimum coverages. The Division does not recommend the purchase of only statutory minimums of insurance. Each individual and family must determine the appropriate amount of insurance to purchase.

What are the minimum coverages required by law?

Colorado law mandates that automobile insurance policies sold in the state provide:

- liability insurance;
- personal injury protection (PIP), and
- uninsured/underinsured motorist coverage.

This can be waived only if it has been rejected in writing by the insured. The definitions below provide more detail on each type of insurance required by Colorado statutes.

Liability

Liability insurance is generally defined as coverage for bodily injury you cause to another person or for property damage you cause to another's property through negligent operation of your vehicle. Liability insurance also affords coverage if the accident was caused by a member of your household driving your vehicle or by a person using your vehicle with your consent. The minimum amount of liability insurance required by Colorado law is as follows:

- \$25,000 per person for bodily injury;
- \$50,000 per accident for bodily injury; and
- \$15,000 per accident for property damage.

Personal Injury Protection (PIP)

Commonly referred to as no-fault insurance, PIP provides coverage for certain medical and rehabilitation expenses, lost wages and loss of essential services resulting from injuries sustained in an automobile accident while occupying an insured vehicle. It also provides coverage for persons injured in accidents involving the insured vehicle, such as passengers and pedestrians. This coverage is different from liability coverage because it will pay benefits for injuries whether or not the insured person is negligent or "at fault". The minimum amount of PIP insurance required by law is:

- \$50,000 per person to cover reasonable and necessary medical expenses, up to five years;
- \$50,000 per person to cover reasonable and appropriate rehabilitation expenses, up to 10 years; (If the medical benefit has been exceeded, medical expenses may be paid under the rehabilitation benefit.)
- up to \$400 per person per week to cover loss of gross income for a maximum of one year;
- up to \$25 per person per day to cover essential services (services the injured person would have otherwise performed prior to the accident, such as cooking and cleaning) for up to one year; and
- \$1,000 per person death benefit.

Uninsured Motorist-Underinsured Motorist

The "uninsured motorist" portion of this coverage is for your bodily injury losses caused by a hit-and-run driver or a driver who has no automobile liability insurance. This coverage takes the place of insurance the other driver should have purchased.

The "underinsured motorist" portion of this coverage is for bodily injury losses which you are entitled to collect from the owner or driver of an underinsured vehicle. An underinsured vehicle is a vehicle that is insured, but the bodily injury liability limits (see Liability) of that vehicle's policy are less than the limits of your uninsured/underinsured motorist coverage. The minimum amount of uninsured/underinsured motorist coverage, unless waived by the policyholder, is:

- \$25,000 per person for uninsured/underinsured motorist; and
- \$50,000 per accident for uninsured/underinsured motorist.

Uninsured Motorist Property Damage

This is an optional coverage you may request if you do not have collision coverage on your vehicle. Uninsured Motorist Property Damage (UMPD) pays for damages to your vehicle caused by an at-fault owner of an uninsured motor vehicle. UMPD will not pay if the vehicles did not touch, the damages are payable under other insurance or for the loss of use of the vehicle.

What are collision and comprehensive insurance?

Collision insurance pays for damages to your car when caused by collision with another vehicle or object or by a rollover. Collision insurance is not required by law, but is typically purchased for late model vehicles and is often required by lenders as a condition of financing the vehicle. Comprehensive insurance protects you against damage to your own car from such perils as fire, theft, glass damage, hail, windstorm, flood, vandalism and other causes. Comprehensive insurance is also not required by law.

Tips for lowering your premium

- Shop around, using the information in this guide.
- Maintain a good driving record.
- Take the highest deductible you can afford on your collision and comprehensive coverage.
- Before buying a vehicle, determine the cost of insuring it.
- Consider carrying only personal injury protection (PIP) and liability insurance on vehicles with a market value of less than \$1,000.
- Ask your company or agent if you are eligible to reduce your premiums through discounts or by choosing optional coverages or benefits. For instance, you may pay less for your personal injury protection coverage by choosing a PPO option or by choosing not to have wage loss. Discounts may also be available such as good student, driver training, multiple cars or multiple policies, compact car, anti-theft, air bags, and pleasure-use only.
- If your family income qualifies, you may be eligible for a "low income" policy with lower benefits. Ask your agent or company.
- An "operator's" policy is available which covers the driver, not the vehicle. This policy has many limitations. Ask your agent or company for more information.

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