



Junior
Achievement

JA / AMERICAN EXPRESS Personal Finance Program

Auto Insurance Policy: Basic Coverage

These six items are covered by a basic auto insurance policy.

1. **Bodily Injury Liability**
Pays your legal defense costs and claims against you if your car injures or kills someone. Covers family members living with you and others driving with your permission.
2. **Property Damage Liability**
Pays your legal defense costs and claims against you if your car damages another's property. Does not cover your property, including your car.
3. **Medical Payments or Personal Injury Protection**
Pays medical expenses that result from an accident for you and others riding in your car. Also pays medical expenses for you or for your family members if injuries are incurred while riding in another's car or while walking.
4. **Collision**
Pays for repairs of damage to your car caused by a collision with another vehicle or any other object, regardless of who is responsible.
5. **Comprehensive Physical Damage**
Pays for damages to your car resulting from theft, fire, hail, vandalism, and a variety of other causes.
6. **Uninsured or Underinsured Motorist**
Pays for costs related to injuries and property damage for you, your family members, and guests in your car that are caused by an uninsured, underinsured, or hit-and-run driver.

(Source: Better Business Bureau, www.bbb.org/library/autoins.asp)

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