

Auto insurance is designed to protect you financially if your car is damaged, stolen, or if you cause injury or property damage in an accident. Coverage depends on the policy and your state's requirements, but here are the main parts:

Core Types of Coverage

1. Liability Coverage (usually required by law)

- **Bodily Injury Liability:** Pays for injuries you cause to others in an accident.
- **Property Damage Liability:** Pays for damage you cause to someone else's car or property.

2. Collision Coverage

- Pays to repair or replace your car if it's damaged in a crash, regardless of fault.

3. Comprehensive Coverage

- Protects against non-collision events like theft, vandalism, fire, natural disasters, or hitting an animal.

4. Personal Injury Protection (PIP) or Medical Payments

- Covers medical bills (and sometimes lost wages) for you and your passengers after an accident, regardless of fault.

5. Uninsured/Underinsured Motorist Coverage


- Pays if you're hit by a driver with no insurance or not enough insurance.

6. Optional Add-Ons

- Roadside assistance, rental car reimbursement, gap insurance (if you owe more on a car loan/lease than the car's value), custom equipment coverage, etc.
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Why It's Important

- **Legal Requirement:** Almost every state requires at least liability insurance.
 - **Financial Protection:** Repairs, medical bills, or lawsuits after an accident can cost tens of thousands of dollars (or more).
 - **Peace of Mind:** You're covered against many unexpected costs on the road.
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 **Bottom line:** Auto insurance covers *your financial responsibility* in an accident and often your own car and medical expenses, depending on the policy.