

# COLLISION VERSUS COMPREHENSIVE COVERAGE

Though state laws may not require you to purchase both collision and comprehensive coverage for your policy, doing so can protect your financial well-being. Read on to learn more about these types of coverage.

## The Basics

Collision and comprehensive coverages provide financial safety nets in the event that your vehicle is physically damaged and needs to be repaired or replaced. Although these coverages are generally not required by state laws, they can reduce your financial hardship during a loss.

Also, if you are financing a loan for a car, your lender will most likely require both collision and comprehensive coverage as part of your car insurance policy.

### Collision Coverage

Collision coverage pays for the cost to repair damages to a vehicle due to an accident, either with another vehicle or an object. Typically, you will collect only the actual cash value of your car versus the replacement cost value. Gap insurance protects you in the event you owe more than your vehicle is worth.

- Collision coverage is generally the most expensive portion of a car insurance policy.
- Premiums are based on a number of factors, including your deductible, driving record and the type of car you drive. If your driving record is fairly clean (no or very few tickets or accidents), your premiums will be lower because you are less likely to have a collision.

### Comprehensive Coverage

Comprehensive coverage pays for damage to your vehicle that is caused by theft, vandalism, fire, natural disasters or hitting an animal.

- Comprehensive coverage comes with a deductible and the insurer will only pay as much as the vehicle is worth at the time of the incident.
- To calculate how much your car is worth, look up the Kelley Blue Book value or the National Automobile Dealers Association's Official Used Car Guide value. If your car is low in value, the yearly premiums for comprehensive coverage may not be a sound investment.
- Comprehensive coverage has many limitations, so it's best to review your policy carefully to make sure you are properly covered.

## We're Here to Help

Call our office today at 800.662.2020 to learn more about collision and comprehensive coverage, and how we can protect you against losses.

## 4 Ways to Save on Your Auto Premiums:

1. Consider raising your deductible.
2. Maintain a clean driving record.
3. Establish a solid credit history.
4. Install an anti-theft device in your vehicle.

**Evergreen Insurance LLC**  
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