

Most of us do not think about the amount of insurance we have and certainly not how much insurance someone else has - until we need it. There are several types of insurance that you can purchase for your automobile: liability, collision, comprehensive, medical payments, uninsured, and underinsured.

North Carolina law requires you to have liability insurance. As of July 1, 2025 everyone must have minimum liability insurance coverage of \$50,000 per person up to \$100,000 per accident. Liability insurance pays anyone hurt or damaged as a result of your negligence up to the policy limits.

Other types of insurance are voluntary. Collision coverage pays you for your damages when you are negligent. If a claim is made under liability or collision insurance, your insurance premiums will increase. Comprehensive coverage reimburses you for property damage due to a true accident, such as a tree falling on your car. Medical payments coverage reimburses you and anyone in your vehicle for medical expenses up to the coverage limits. Uninsured motorist coverage pays you if a negligent driver injures or damages you and does not have any liability insurance. Underinsured motorist coverage pays you if the negligent driver does not have enough liability insurance. If you make a claim under comprehensive, medical payments, uninsured, or underinsured motorist, your insurance does not go up. As you can see, your insurance premiums do not increase if you or someone driving your vehicle is not at fault.

On an annual basis, sit down with your insurance agent and review your policy coverages. Ask questions about how much coverage is needed and how much it costs. Always ask what the insurance company is charging new customers for the same coverage. Many times insurance companies charge new customers less than long-time customers. Their statistics show that if they get you signed on, odds are you will never leave.

We recommend that you have a minimum of \$100,000 in liability, uninsured and underinsured coverage. You should also have at least \$5,000 in medical payments coverage. The increased liability coverage protects your assets. The increased uninsured and underinsured will protect you, your passenger and your family members from uninsured and underinsured drivers.