

# CAR INSURANCE – HOW MUCH COVERAGE DO YOU NEED?

*Consumer Reports* magazine recommends these coverage amounts for the types of insurance required by the State of Michigan – see article titled “Review all of your coverage” at: [www.consumerreports.org](http://www.consumerreports.org) (search for “car insurance”)

## REQUIRED CAR INSURANCE COVERAGE

- **Bodily injury / property damage (BI / PD)**  
\$100,000 per person and \$300,000 per accident (state of Michigan may require less)
- **Property protection insurance (PPI)**  
\$1,000,000 required by state law within Michigan—no choice in the amount  
\$100,000 for out-of state coverage (state of Michigan may require less)
- **Personal injury protection (PIP)**  
Michigan requires unlimited coverage – no choice in the amount.

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**OPTIONAL CAR INSURANCE COVERAGE** – the above do not pay for damage to your car—these do—note that higher deductible—at least \$500—lowers cost:

- **Collision** (pays to repair collision damage to your car)
- **Comprehensive** (pays in case of theft of car, or damage from natural causes like storms)

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## SEARCHING FOR INFORMATION ON THE COST OF CAR INSURANCE

It is against the law to drive your car without insurance. Car insurance prices vary widely depending on one's age (younger = more expensive!), other personal factors such as gender, and the car itself. It also varies with the types and amounts of coverage. *Please see above section for recommended types and amounts of insurance coverage to buy.*

I. **Online search engines for insurance** let you quickly and conveniently compare the costs of the policies of *many* insurance companies:

a) <http://www.insweb.com> -- Quicken / Insweb (top-rated by *Consumer Reports* for accuracy and content, gives individually-customized estimates for most companies).

b) State of Michigan's interactive guide to car insurance that meets the State of Michigan's standards (use “YPSI” as nearest city to Ann Arbor)—it gives very rough estimates for 4 types of owners, such as young & single or a married couple. Coverage amounts will be less than what *Consumer Reports* recommends!

<http://www.dleg.state.mi.us/fis/pubs/guides/auto/Search.asp>

Of related interest:

<http://autos.msn.com/> -- MSN Autos (click on “insurance”)

<http://www.cartalk.com/menus/info.html> -- Car Talk (lots of good info from a popular radio talk show about cars – for example, it lists local auto-repair shops recommended by listeners)

II. To find **local insurance companies**, Google for “car insurance ann arbor mi”. You can call and ask for a quote on the cost of car insurance. You will need to specify the types and amounts of coverage you want (see above), and to give your age and other personal information.

III. **Ask fellow students for their recommendations**