



FINANCE AND ADMINISTRATION CABINET
KENTUCKY HIGHER EDUCATION ASSISTANCE AUTHORITY

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Money Tip for Students, March 2019

What students need to know about car insurance

Because young people don't have as much driving experience as adults, they're a bigger risk to insure when they start driving. That means young people will generally pay more for car insurance.

Kentucky requires vehicle owners to have liability insurance in the amount of \$25,000 for bodily injury per person, \$50,000 for bodily injury per accident and \$25,000 for property damage.

If you're leasing a car or buying one with a car loan, you may also have to have collision insurance and comprehensive coverage. The first pays for damage to your vehicle if you're in an accident. Comprehensive insurance covers damage caused by hail, flooding, theft, vandalism, etc.

You may want to consider getting other coverage, according to the Kentucky Higher Education Assistance Authority (KHEAA). These include:

- **Personal injury protection:** This helps pay for your medical expenses, lost wages and out-of-pocket costs.
- **Uninsured motorist:** This helps cover medical costs if you're injured in a wreck with a driver who doesn't have insurance.
- **Rental reimbursement:** This pays for a rental car when your car has been damaged in an accident and is being repaired.

KHEAA is the state agency that administers Kentucky's grant and scholarship programs, including the Kentucky Educational Excellence Scholarship (KEES). The agency also provides financial literacy videos at <http://itsmoney.kheaa.com> and free copies of "It's Money, Baby," a guide to financial literacy, to Kentucky schools and residents upon request at publications@kheaa.com.

KHEAA's sister agency, the Kentucky Higher Education Student Loan Corporation (KHESLC), offers low-cost Advantage Loans to help students and parents pay for college or to refinance student loans. For more information about Advantage Loans, visit www.advantageeducationloan.com.

For more information about Kentucky scholarships and grants, visit www.kheaa.com; write KHEAA, P.O. Box 798, Frankfort, KY 40602; or call 800-928-8926, ext. 6-7214.

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