

NEWS FROM

KHEAA–Alabama

Contact: Tim Ballard
Phone: 502-696-7372
Email: tballard@kheaa.com

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.

Alabama 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 KHEAA–Alabama. 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 a public, non-profit agency established in 1966 to improve students' access to college. It provides information about financial aid and financial literacy at no cost to students and parents. KHEAA also helps colleges manage their student loan default rates and verify information submitted on the FAFSA. For more information about those services, visit www.kheaa.com.

For more information about financial aid and college planning, visit www.alstudentaid.com.