



FINANCE AND ADMINISTRATION CABINET
KENTUCKY HIGHER EDUCATION ASSISTANCE AUTHORITY

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Governor

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Money Tip for Students, July 2020

What students need to know about car insurance

Because young people don't have as much driving experience as adults, they're considered 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 for bodily injury in the amount of \$25,000 per person, \$50,000 for bodily injury per accident and \$25,000 for property damage.

If you're leasing a car or financing one with a car loan, you may also be required 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 and vandalism, among other things.

"Kentucky drivers of all ages owe it to themselves and others to make sure they have auto insurance in case of an accident," said Kentucky Governor Andy Beshear. "It's an important part of being a good and responsible citizen, something to which we should all aspire."

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

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

KHEAA is the agency that administers the state'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.

Many of KHEEA’s student aid programs are funded by Kentucky Lottery receipts.

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