Will insurance cover my losses from an auto accident? Depending on the types of coverage you have, auto insurance pays for car repair or replacement, medical expenses, rental cars, towing, court costs, and other expenses up to the dollar limits of the policy. The front page of your policy – called the declarations page – shows the name of your insurance company, your policy number, and the amount of your coverages and deductible. Read your policy carefully because coverages vary. Pay attention to whom and what is covered. Also, note the exclusions, which are the things your policy doesn't cover. The following are some common exclusions:

- **Named driver.** Some policies cover only household residents specifically named on the policy.
- **Excluded driver.** Excludes coverage for people specifically named in an endorsement to your policy.
- **Ride-booking.** Most policies exclude coverage when you're using your car for a ride-booking service like Uber or Lyft. Some insurance companies offer policies for ride share drivers.
- **Intentional acts.** Excludes coverage for losses that were intentional.

Here are some common types of auto insurance coverage:

1. **Liability:** Liability coverage is required by Texas law. It covers the other driver if you are at fault. It does not cover your losses. Driving without proof of financial responsibility (insurance) can expose you to a fine $175-$300 for a first offense. In Texas, the minimum liability insurance coverage is $30,000 for each injured person for a total of $60,000 per accident and $25,000 for property damage per accident, also known as 30/60/25 coverage. If you were at fault, it will pay the other driver's medical and funeral costs, lost wages, pain and suffering, car repair/replacement costs, car rental for the other driver, damages awarded by a court and attorney fees if you are sued. Liability insurance may cover drivers such as a child away at school or a person who is driving your car with permission. It might cover you when you’re driving a rental car. Check your policy to make sure. You should add household members who drive your car to your policy.

2. **Collision and Comprehensive:** Optional if your car is paid for. Collision covers damage resulting from an auto accident. Comprehensive covers other damage not caused by a collision. If you owe money on your car, your lender will require you to carry both types to cover repair or replacement of the vehicle. If your car is stolen, your loss won't be covered unless you make a police report.

3. **Uninsured/Underinsured Motorist (UM/UIM) Coverage:** Optional. Pays your expenses if you are hit by another driver who is uninsured or underinsured, or by a hit-and-run driver. There are two types of coverage in this category. **Bodily injury** pays for medical bills, lost wages, pain and suffering, disfigurement, and permanent or partial disability. **Property damage** pays for car repairs, damage to items in your car, and a rental car.

4. **Medical Payments Coverage and Personal Injury Protection:** Optional. **Medical payments coverage** pays medical and funeral bills resulting from accidents with another car, a pedestrian or bicyclist. It covers you, your family members and passengers regardless of who caused the accident. **Personal injury** covers 80% of lost income and cost of a caregiver for the injured person.

**If someone got into an accident when driving my car, am I liable?** If you gave permission to a driver without a license, who was intoxicated or with a bad driving record, you could be liable for the accident even if you were not at fault and not driving.

**How long do I have to file a lawsuit against the driver at fault?** Texas law gives you **two years** after an accident to either settle your claim or file a lawsuit. If the other driver’s insurance company wants you to sign a release, don’t do it until you are satisfied with the total settlement. Insurance companies are not allowed to delay payment of a claim in order to pressure you to sign a release.

Visit the Texas Department of Insurance website for more information.