

## How Does Auto Insurance Work? - A Brief Explanation With All The Answers You Need

If you own a car and are planning on driving it you're going to have to get auto insurance. In most states it is a legal to drive a car without insurance. If you've ever found yourself asking the question, how does auto insurance work?, this article will answer that question by giving you a brief overview of some of the more important facts you should know about automobile insurance.

The most basic answer to the question how does auto insurance work?, is that it works like any other type of insurance. Something bad happens and the insurance company writes a check to help make things better. Of course there is a lot more to it than that. One of the first things to consider when obtaining car insurance is whether you want to get full coverage or just liability coverage.

Full coverage refers to an insurance policy that will not only cover damage or injuries to others if you are at fault but would also cover damage to your vehicle. It would also cover your vehicle against damage caused by things like a storm, vandalism, theft etc.

Liability coverage will help protect you from the cost of injuries or damages caused to others if you are at fault in an accident. If you are injured in an accident that is your fault liability coverage will not pay to fix your car or pay your medical bills. In most states the law requires that drivers carry at least liability coverage.

When you're trying to decide what type of coverage you need and how much it will cost there are some things that you'll need to consider. Do you need full coverage or just liability coverage? If you just bought a brand-new car that costs \$30,000 you would probably want to go with full coverage so that even if something happens that is your fault you will still be covered. If you bought a used car for \$1500 liability coverage would be enough. The premium payments for full coverage are much higher than the premiums for liability coverage. If your car only cost \$1500 you'll want to be covered for any damage that you may do to somebody else but if your car gets damaged it would be cheaper to buy another one than it would be to pay the larger premiums every month.

There are a number of other things that will affect the cost of auto insurance. In addition to the amount of coverage you want things like your age, gender, driving record, the kind of car you drive, the area you live in, and various other factors will all affect the price that you would be required to pay.

To get the most coverage at the best price it's good to shop around and get quotes from several different insurance companies.

### About the Author

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