

Getting covered  
behind the wheel:

# A first-time buyer's guide to car insurance



If you're a younger driver, auto insurance is often your first real financial responsibility, but the process doesn't have to feel overwhelming.

This easy guide will help you feel confident about purchasing a policy.

**You'll unlock important information and insights about:**

- P. 2 **The basics**  
Required and optional coverages
- P. 7 **Choosing deductibles**
- P. 8 **How rates are determined**
- P. 9 **Ways to save**
- P.12 **Filing claims**

# The basics



## What is car insurance?

Car insurance protects your vehicle and your wallet when something goes wrong. You pay a monthly, biannual, or annual premium, and your auto insurance company agrees to cover certain costs that are listed in your policy.

## Is car insurance like a contract?

While an auto insurance policy is a legal agreement between you and your insurer, you're never obligated to stay with the same insurer or even keep the policy until the expiration date. Although your state likely requires you to carry auto insurance before you can drive, you have the freedom to cancel a car insurance policy at any time and [switch to a new insurer](#).

## Is car insurance required?

To legally drive, liability coverage is mandated in nearly every state. And if you finance or lease your car, you're typically required by your auto lender to carry comprehensive and collision coverage, too.

### Essential terms

#### POLICY

A written agreement between you and your insurer that outlines the terms and conditions of your insurance agreement

#### PREMIUM

The amount of money you pay to an insurer in exchange for coverage

#### COVERAGE

The type and extent of protection offered by an insurance policy, as well as any limits of compensation

#### CLAIM

What you file to seek reimbursement from an insurer for a covered loss

# The basics



## Car insurance coverages, simplified

Purchasing the correct coverage is often as simple as seeing [what's required by state law](#) and your auto lender.

PART  
1

### Commonly required coverages

Depending on your state or auto lender

#### BODILY INJURY LIABILITY

Covers **injuries you cause to others** in an auto accident

#### PROPERTY DAMAGE LIABILITY

Covers **damages you cause to others** in an auto accident

#### COMPREHENSIVE

Covers your **car against unexpected events** like theft, vandalism, fire, glass breakage, hitting an animal, or bad weather

#### COLLISION

Covers **damage to your car** if it collides with another vehicle or object, such as a tree, fence, or guardrail

#### Did you know?

If your car is paid off, you have the option to not carry comprehensive and collision. However, these are the coverages that protect against physical damage to your own car.



#### What happens if you drive without car insurance?

In nearly every state, driving without insurance is illegal and can lead to fines, license suspension, or even having your car impounded. You may also pay more for car insurance in the future.

# The basics



## Car insurance coverages, simplified (cont.)

PART  
2

### Other required coverages

Depending on your state

#### UNINSURED/UNDERINSURED MOTORIST BODILY INJURY

Covers **injuries to you and your passengers** if you're hit by an at-fault motorist who has **no auto insurance or insufficient coverage**

#### UNINSURED/UNDERINSURED MOTORIST PROPERTY DAMAGE

Covers **damage to your vehicle** if you're hit by an at-fault motorist who has **no auto insurance or insufficient coverage**

#### PERSONAL INJURY PROTECTION (PIP) AND MEDICAL PAYMENTS

Covers **medical expenses from an accident**, regardless of fault (PIP can also cover lost wages and death benefits; medical payments coverage typically won't)

#### Did you know?

Depending on your state, you may also be required to carry uninsured/underinsured motorist coverage. An [Insurance Resource Council \(IRC\)](#) study concluded that 1 in 3 drivers were uninsured or underinsured in 2023, so even if these coverages are optional in your state, they can be important to have on your policy.

If you live in a [no-fault state](#), you're required to file a claim for bodily injury with your own insurer, rather than with the at-fault driver's insurance. No-fault states require all drivers to carry PIP. In some states, PIP is optional or not offered at all—in those states, you may purchase medical payments coverage, which is usually optional.

# The basics



## Car insurance coverages, simplified (cont.)

PART  
3

### Additional coverages

You can typically customize an auto insurance policy to match your unique needs by adding any combination of the following coverages:

#### LOAN/LEASE PAYOFF

(sometimes referred to as [gap coverage](#))

May cover the difference between what you owe on your car and its actual worth, up to 25% of the vehicle's actual cash value (though the exact limit may vary by state)

#### RENTAL CAR REIMBURSEMENT

Can [pay for a rental car](#) if you're in a covered accident, up to a certain limit

#### RIDE-SHARE

[Protects ride-share drivers](#) when logged into a ride-sharing app, such as Uber and Lyft, or delivery service platform and waiting for a trip/delivery request

#### ROADSIDE ASSISTANCE

Pays for towing and lock-out services, flat tire changes, fuel delivery, and other issues

#### CUSTOM PARTS AND EQUIPMENT (CPE)

Helps pay to repair or replace [modifications](#) to your car such as a stereos, navigation systems, and custom wheels and paint jobs, up to a specified limit

#### LEARN MORE

Check out all the [car insurance coverages](#) [Progressive offers](#) to keep you protected on the road

# The basics



## How much insurance coverage do you need?

**Sometimes the state minimums for liability aren't enough to adequately protect you.** If you're at fault in an auto accident, the other party may seek compensation for injuries or damages, so your liability coverage limit should be **high enough to cover your net worth.**

You can determine your net worth by adding up all your assets, including checking, savings, and investment accounts and property equity, and subtracting your debt.



## Ask yourself ...

- *If your car is paid off, making comprehensive and collision coverage optional, are you able to pay for car repairs from an accident out of your own pocket?*
- *Are you able to afford a new vehicle out of your own pocket if your car is stolen or totaled?*

**If the answer to either question is no, then comprehensive and collision coverage can be worthwhile.**

### LEARN MORE

Find out [how much coverage you need](#) and try our [car insurance calculator](#) to help estimate your coverage choices and limits.

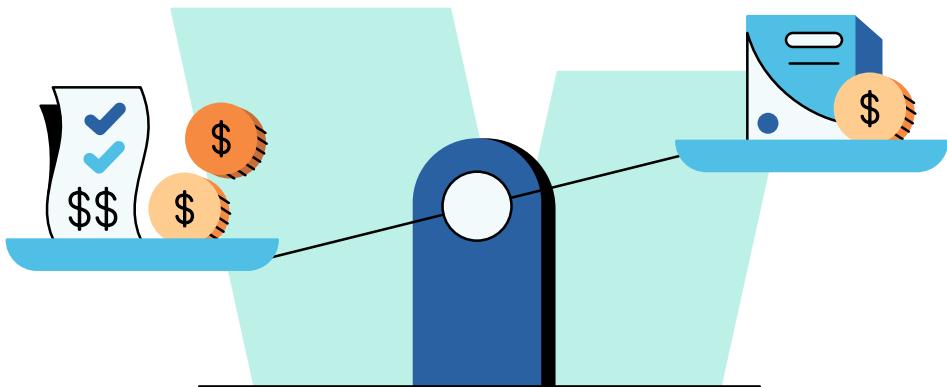
# Choosing a deductible



## What is an auto insurance deductible?

An [auto insurance deductible](#) is what you pay **out of your own pocket** for a comprehensive or collision claim that's covered by your policy.

Progressive Auto policy deductibles typically range between \$100 – \$2,000, although you may have no deductible on glass replacement claims or have the option to select a \$0 deductible, depending on your insurer and state.



### HIGH DEDUCTIBLE

The less you pay for your policy,  
the more you pay out of pocket for a claim

### LOW DEDUCTIBLE

The more you pay for your policy,  
the less you pay out of pocket for a claim

## Example

Suppose your car collides with a tree and the damage to your vehicle is \$3,000. If your collision coverage deductible is set at \$1,000, your auto insurer may pay up to \$2,000 to repair your car.



# How is the price for car insurance calculated?



Many factors can determine your auto policy's cost, including:

## AGE

Because new drivers are more likely to be involved in auto accidents, [car insurance rates are higher for teenagers](#) and may decrease with age

## COVERAGE SELECTION

The coverages and coverage limits you choose affect your price

## MILEAGE

Insurers may charge high-volume drivers more

## CREDIT HISTORY

Insurers in most states may use credit-based insurance scores to calculate your auto policy's rate (quoting car insurance will NOT impact your credit score)

## LOCATION

Drivers living in highly populated areas can be at a higher risk for auto accidents, [vehicle theft](#), and vandalism, making them potentially riskier for insurance companies

## ACCIDENT HISTORY

At-fault accidents can typically increase your policy cost; not-at-fault accidents may too—while that seems unfair, drivers involved in an accident, regardless of fault, may be more likely to be involved in a future accident

## TYPE OF VEHICLE

The make and model of your car can affect your rate, as it costs more to repair or replace certain vehicles

## INSURANCE HISTORY

No gaps or cancellations in your insurance history often means you qualify for a lower car insurance rate

## DRIVING HISTORY

Traffic violations, including speeding tickets, will show on your motor vehicle report for at least three years in most states and can raise your car insurance rate

## LEARN MORE

Check out [the average cost of car insurance in your state](#).

# How to save money on car insurance



Check out all the ways to snag more [affordable auto insurance](#).

## Discounts

Discounts are often the easiest way to save on auto insurance, and with Progressive, they're automatically applied during your quote. Here are some of the most popular Progressive discounts (availability and terms may vary by state):

### TEEN DRIVER

If you're 18 years old or under and listed on your parents' policy, you can earn a discount after one year

### GOOD STUDENT

If you're a full-time student and listed on your parents' policy, Progressive gives you a discount if you have a "B" average or better

### MULTI POLICY

[Bundling insurance](#) is a big way to save if you have another policy with Progressive, such as Renters, Homeowners, Motorcycle, Boat, or RV

### MULTI CAR

Having more than one vehicle on your policy earns you an easy discount

### SAFE DRIVER

No tickets or accidents in the past three years means you may qualify for a discount

### ONLINE QUOTE

If you quote car insurance online or a licensed Progressive representative finishes your quote over the phone, you save

### PAPERLESS

Opt to receive your documents via email and sign online, and you automatically receive a discount

### PAID IN FULL

If you can pay for your policy up front and in full, you save more

### E-SIGNATURE

Sign your documents online and score a discount

# How to save money on car insurance



## Tools to save

Here are three great features to help you attain the right price:



### Comparison shopping

Quoting and buying car insurance is simple when you shop online, and so is saving money—many sites offer comparison tools to help you find the best price for the type of policy you need. [Progressive's AutoQuote Explorer®](#) enables you to compare rates from various car insurance companies.



### Match your budget

The [Name Your Price® tool](#) from Progressive lets you input the price you want for auto insurance and then shows you the best coverage options within your budget.



### Usage-based insurance (UBI)

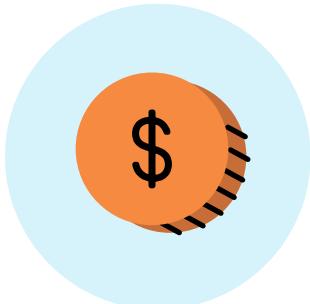
Some auto insurers offer UBI programs to match your rate to your driving habits. Using a plug-in device or a mobile app for a certain period, your insurer can analyze how safely you drive, and you may earn a rate reduction based on the results. [Progressive's Snapshot® program](#) personalizes the cost of your policy and has earned drivers over \$1.2 billion in discounts.

# How to save money on car insurance



## Savings tips

These methods can help lower the cost of your car insurance policy:



### Increase deductibles

Choosing a higher deductible amount helps you save more on your auto insurance policy. But keep in mind, if you file a claim, your payout will be less than if you choose a lower deductible.



### Reduce your coverage

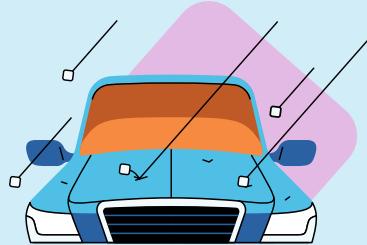
While almost all states mandate a minimum amount of coverage, you may be carrying more than you need. Lowering your liability coverage limits can reduce your policy's rate. Dropping optional coverages can also lower your cost for auto insurance. Just be sure you're comfortable with the additional risk you're taking on before you reduce your coverage.



### Drive a car that's cheaper to insure

The make and model of your vehicle impacts what you pay for car insurance. Find out [which cars may rank among the cheapest to insure](#).

# Filing a car insurance claim



A car accident can be stressful, but if you have Progressive, we have your back. Here are the steps to follow:

## Let us know ASAP

Start by contacting us right after the accident—ideally within 24 to 48 hours. Many insurers, including Progressive, let you file a claim through a [mobile app](#), [online](#), or by phone.

1

## Provide details

Be ready to share specifics about the incident, including the date, time, and location of the accident, as well as a description of what happened. If police were on the scene, include the police report number. Snap photos of the damage and, if there were witnesses to the accident, get a statement that can support your claim. If the other driver was at fault, ask for their auto insurance policy number—you may file a claim through their insurer.

2

## Work with the adjuster

Once your claim is submitted, an insurance adjuster will be assigned to investigate and potentially inspect your vehicle. You may be required to get an estimate for the cost of the car repairs, and the repair shop typically shares that figure with the insurer.

3

## Receive payment

After your insurance adjuster consults with the repair shop and makes an evaluation, we may cut you a check for the cost of the repairs, minus your deductible, if the claim is approved.

4

Get more information about [filing an auto insurance claim](#).

# FAQ for first-time car insurance buyers



## Do you need car insurance if you only drive occasionally?

Auto insurance is mandatory in nearly every state before you get behind the wheel, no matter how infrequently you drive.

## Will an accident be covered if you buy car insurance after it happened?

Auto insurance is never retroactive, and your insurer won't cover any damage or injuries from an accident that occurred when you were uninsured.

## Can you stay on your parents' auto insurance policy?

If you still live at your parents' residence and use their vehicle(s) (or if your car is kept at their address), you may stay on their policy, no matter how old you are. Once you move into your own place, you need your own car insurance policy. College students living on campus can often [stay on their parents' auto policy](#), depending on the insurer.

## Can roommates share car insurance?

Some insurers may [allow roommates to share car insurance](#) if both cars are kept at the same address overnight. If your roommate drives your car, even occasionally, they should be listed as a driver on your car insurance policy. Know that adding your roommate to your car insurance may raise the cost of your policy.

## What happens if you miss a car insurance payment?

[Missing payments can happen](#), but being a few days late likely won't cause your policy to cancel. Many insurers, including Progressive, may offer a grace period. If you haven't paid by the end of the grace period, your insurer can cancel your policy for nonpayment.

If your policy is cancelled, don't panic. You may start a new policy at any time, often even with your old company. The important thing is to get coverage again before you drive. [Find easy answers to more of your car insurance questions.](#)

## Get car insurance in minutes

Progressive can help you get covered quickly and properly—at the right price for your budget.

Get a quote, call 1-866-749-7436, or [find an agent near you](#).

