What is a Car Insurance Deductible?

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A **car insurance** **deductible** is the amount of money you'll be required to pay out of pocket toward repairs before your insurer will cover the balance of the cost of the repairs. For example, if you are involved in an accident that results in $3,000 in damage to your car and your deductible is $500, you will only be required to pay $500 toward the repair of your vehicle. The remaining $2,500 is covered by the insurance company.

Deductibles are designed to prevent policyholders from filing claims for every little thing that happens. In exchange for a lower premium, car insurance companies require policyholders to pay a portion of the cost to repair their vehicle. All property damage coverages, including **collision**, **comprehensive**, and **uninsured motorist** **property damage** have deductibles in Washington state.

Choosing Low or High Deductibles

When purchasing full coverage auto insurance, one of the choices you will need to make is the deductibles you wish to carry. Increasing your deductible can be a great strategy to save money on your insurance premiums. Choosing a low deductible means higher insurance rates, whereas a high deductible will reduce your insurance rates.

Choosing a **higher deductible** helps lower the amount of money you have to pay every month toward your insurance premium, but if you do have to use your insurance, it will cost you more out of pocket. It is therefore important, to select a deductible that both makes your premiums affordable and is something you can comfortably pay in the event you are in an accident.

Consider not being able to get your car repaired because you can't afford to pay the deductible. When picking your auto insurance deductible, consider how much you are able to pay without creating a significant hardship in your life. Take into account your income, your household budget, your personal savings, and the credit you have accessible.

Understanding how deductibles work, as well as knowing what you can afford, is critical to obtaining the appropriate coverage at the most affordable price.

Mid-Columbia Insurance – Your Trusted Insurance Agent

Give our **insurance professionals** a call today at **(509)783-5600** or click "Get a Quote" to request a quote on your insurance. At **Mid-Columbia Insurance**, our goal is to get you the coverage you want at a price you can afford!