

Reality² CHECK

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illustrated by
**LINZIE
HUNTER**

Q What does **INSURANCE** have
IN COMMON with **BIGFOOT** **SIGHTINGS**?

A They are **BOTH** the **CAUSE** of
some **PRETTY PERSISTENT** **Myths**.

The **DIFFERENCE** is, we can tell
you the **TRUTH** about **INSURANCE**.

DISCOVER Some of the **BIGGEST**
policy **Myths** our **EXPERTS** encounter
EVERY day-and get the **FACTS** behind them.





The MYTH

My homeowners policy should cover the current market valuation of my home.

The TRUTH

Your homeowners policy should not cover market value, which reflects what someone would be willing to pay for the home and the lot. Instead, you should insure your home for replacement cost: what you would pay to reconstruct it. This should take into account information about your home, including square footage and the number and quality of kitchens and bathrooms.

The MYTH

I don't need umbrella coverage because my other insurance covers me.

The TRUTH

All insurance has limits of coverage. The purpose of umbrella insurance is to

cover you above and beyond those limits if they're ever maxed out. It can help protect against major claims (such as if a visitor slips and falls on your property or your dog bites a child), provide you with a legal defense and cover claims that may not be included in other policies, such as libel, slander, false arrest and liability on rental properties you own. Your combined assets could be at risk from an accident or lawsuit, and umbrella insurance could help protect your financial well-being.

The MYTH

I only need life insurance if I'm the primary earner.

The TRUTH

Non-working adults who are caregivers also need life insurance, since caregiving has a real economic value. Picture a stay-at-home parent and a working spouse. If the stay-at-home parent dies prematurely, who will



take care of the children?

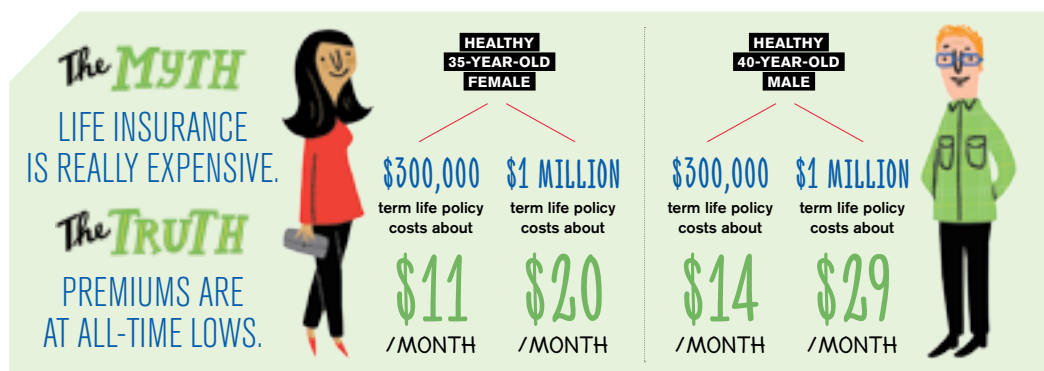
A full-time nanny who cooks is expensive, and it's not practical that the surviving spouse simply quit working. Life insurance protects the economic value of the non-primary earner, so a minimum of \$300,000 of coverage on caregivers is generally recommended.

The MYTH

As long as I keep paying, my homeowners policy will cover me if I move to a new house.

The TRUTH

Your policy is written for a specific house. If you move to a different location or no longer live in the house, this changes the coverage you need. Most policies provide temporary coverage during your move and can modify the coverage for the home from which you moved. (If you still own your former home but won't be living there, you may still need coverage.) Call your insurance provider, let them know your plans and discuss your options for insuring it. >>





The MYTH

The word “comprehensive” means my auto policy covers everything.

The TRUTH

Comprehensive coverage is one of the most misunderstood. When it comes to auto insurance, most states require a minimum liability-only policy. But that minimum required policy usually doesn't include physical damage coverage for your own vehicle, which comes in two forms: collision and comprehensive.

Collision covers scenarios where you hit something or something hits you—except if it's an animal. Comprehensive covers acts

of nature (such as a flood, fire, hail damage, animal collisions or trees falling on your car) as well as acts of theft and vandalism (for instance, if a thief breaks your window and steals your radio). So while it's true that comprehensive insurance covers a range of scenarios, check your own policy or call GEICO if you're concerned about a particular situation. If you took out a loan for your car, check the terms; some lienholders require you to have physical damage coverage.



DOES THE COLOR OF YOUR CAR AFFECT YOUR INSURANCE RATE?

Not by itself.
Your insurance rate is determined by a number of factors such as:

- Driving behavior (your history of tickets or accidents)

- The make, model and year of your vehicle (which affect repair and replacement costs)



To get the best rate:

- Drive safely and defensively

- Choose a safe, reliable and economic car

- Look for insurance discounts! You'll find a complete list at [geico.com/save/discounts/](https://www.geico.com/save/discounts/).

The MYTH

MOTORCYCLE INSURANCE IS JUST FOR MOTORCYCLES.

The TRUTH

GEICO OFFERS LOTS OF PROTECTION OPTIONS.

SAFETY FIRST
GEICO offers protection options that cover accessories such as:

HELMETS
RIDING GEAR
CUSTOM PARTS

PLUS
We insure lots of:

DIRT BIKES
ATVS
SCOOTERS

Lightning ROUND

Six myths debunked in a flash.



1

MYTH

I don't have any dependents, so I don't need life insurance.

REALITY

You may not have dependents, but do you have debt? If so, someone will have to cover it when you're gone—and it might as well be your life insurance.

2

MYTH

I won't have coverage if I travel the country year-round in my RV.

REALITY

Full-time RV enthusiasts, you're in luck! There are specialty coverages that will cover the contents of the RV and even emergency expenses if the RV is involved in an accident or theft.

3

MYTH

I only ride my motorcycle a few months during the year, so I don't need to insure it year-round.

REALITY

What if there's a perfect winter day when you want to take your bike out? Even if it's nothing but snowstorms, your bike still faces potential risks while in storage, such as theft, fire and vandalism. If you cancel your insurance and something happens, you are financially responsible.



The MYTH

Auto insurance follows the driver, not the car.

The TRUTH

Laws vary by state, but in most, the car owner's comprehensive and collision insurance provides primary coverage in case of an accident. If you agree to let your friend borrow a car you own and he or she causes an accident, you'll have to file a claim with your own insurance. Depending on the driver's policy, their insurance may cover some personal liability and medical expenses, but if they're uninsured, you, as the car owner, could be liable for all damages.

There are a few exceptions: if your friend isn't at fault in the accident, you can usually file the claim with the at-fault party's insurance. And if your friend borrows your car without your consent, their insurance will be considered the primary coverage. Still, it's important to check your state's regulations, your own policy and your own level of trust before letting someone else drive your car. [G](#)

Travel TALL tales

Will your insurance cover you if you take your boat to Mexico or drive your RV out of the country? Follow the chart to find out.

WHAT ARE YOUR PLANS?

I'M TAKING MY BOAT TO MEXICO



THAT'S GREAT!
ARE YOU IN MEXICO YET?

NOT YET

Most boat insurance provides coverage for the boat and trailer during transport in the U.S., in inland U.S. waters and up to a certain distance offshore.

YES!

Boating in Mexico requires three types of insurance: hull coverage, liability coverage issued by a Mexican insurance provider and automobile liability coverage issued by a Mexican provider (if you're trailering your boat on land).

I'M TAKING MY RV ON THE ROAD



SOUNDS FUN!
WHERE ARE YOU HEADED?

MEXICO

Your U.S. RV insurance will not extend coverage, so you'll need to secure Mexican RV insurance through a local broker.

CANADA

You're covered by your U.S. RV insurance, but you'll need to get a Canadian ID card to meet the country's proof-of-insurance requirements. Contact GEICO before leaving and we'd be happy to supply one.

4

MYTH

My boat is covered by my homeowners insurance policy.

REALITY

Most homeowners policies only cover small vessels with limited horsepower, and won't cover boat-specific situations such as salvage, wreck removal, pollution liability or towing in case of a breakdown out on the water.

5

MYTH

Homeowners coverage protects me against floods and earthquakes.

REALITY

Flood coverage requires a separate policy. Earthquake coverage usually requires an endorsement or separate policy.

6

MYTH

My auto insurance covers me if I use my car for business or start driving for a ridesharing company.

REALITY

Your personal auto insurance policy does not cover use of your vehicle for business purposes. You'll need to purchase an additional policy, whether a commercial auto policy or one of GEICO's new ridesharing policies.



AT HOME, ON THE GO, RUNNING YOUR OWN BUSINESS—NO MATTER WHAT PROTECTION YOU NEED, GEICO CAN HELP YOU SECURE THE RIGHT COVERAGE. VISIT [GEICO.COM](#) FOR A QUICK QUOTE IN MINUTES.

Insurance policies are subject to individual terms, limits and conditions and can vary state by state. That's why you should always check your own policy to see what it covers and, if you have any questions, contact GEICO.

