Published based on Southern California Car Insurance - What You Now Need and Savings Proposed

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As with most states, California state car insurance law requires all motorists to carry three fundamental liability components.

Bodily Injury Liability (BIL) of $ 15,000 / person

Total Bodily Injury Liability (Total BIL) of $ 30,000 for each accident

Property Damage Liability (i.e. PDL) of $ 15,000 / accident

The insurance business knows this as 15k/30k/15k.

But please understand that to rely on this coverage alone, would be asking for trouble. Multiple pile-ups and ambitious lawyers often drive the cost of a vehicular accident to well beyond six figures. If you're at fault and you've gone with the minimums, you personally, are now on the hook for the shortfall. Now you must re-mortgage your house, forfeit your savings & probably even more…sound good?

On the basis of experience, I recommend a minimum of 100k/300k/100k...more if you're on the road often, particularly in the up-market communities of California. Spending a few extra bucks here is money well spent.

Until now, we've talked about liability coverage only. That doesn't cover injuries to you and/or damages to or loss of your automobile. The remainder of what we will discuss is not mandatory under California law.

First, let's think about you. **Personal Injury Protection** (PIP) pays for injury to you and your passengers no matter who was at fault. I recommend PIP coverage of no less than $ 100,000.

Next, your vehicle. To most people, having both collision and comprehensive insurance is known as **full coverage**.

There are two purposes of **collision insurance**; to cover the cost of damages to your vehicle or, if your car is a total write-off, to provide a cash settlement. You are liable for a predetermined "deductible" amount and the insurer pays the balance.

Comprehensive protects your auto for theft and vandalism and damages caused by Mother Nature, animal impact and fire.

Another important coverage is protection against **uninsured or underinsured drivers**. It's not your fault, but he can't pay…your uninsured driver coverage kicks in.

Auto insurance in Southern California may allow **"pay by the mile"** plan.

The California Insurance Commission has proposed that insurance companies be allowed to charge policy holders on the basis of actual miles driven. Similar to purchasing prepaid minutes for a mobile phone…the consumer would pay up-front for a fixed number of miles to be driven in a limited period of time. A mileage monitor will be installed in the vehicle, and insurance companies will charge on the basis of miles driven.

Consumer protection groups are pushing for the proposal because paying for driven miles, as opposed to the insurance company's projection, should allow cost savings for low mileage motorists.

And some say more importantly, it will incenticize drivers to stay off our roads. Environmentalists say this type of auto insurance in La Mesa and other California cities will encourage consumers to drive less…meaning lower fuel usage, reduced pollution and less congestion on the road.

The plan looks good to me.