

Single Limit versus Split Limits

Some insurance companies only offer **Split Limits** of liability while other companies also offer the broader and more flexible **Single Limit** of coverage.

Split Limits unfortunately have a maximum limit payable to **each injured person**, such as \$100,000. This number is critical. It is the limit of your protection. Make sure it is adequate. If you have significant equity in your house or other assets, this limit is not enough.

Split limits also have a maximum limit for **all injuries per accident**, such as \$300,000. To clarify: if three people are injured and they each win a judgment for \$100,000, your Bodily Injury limit is used up.

There is also a limit on the amount that can be paid for damage to property of others, such as \$25,000. Many vehicles today are worth more than this. And you could damage more than one vehicle. A \$25,000 Property Damage limit is no longer considered a high limit of coverage.

A **Single Limit** offers significantly better coverage. It is more flexible. It can be used **for any combination of bodily injury or property claims until it is used up**. Note - there is no sub-limit per person. There is no sub-limit for damage to property. This is definitely an advantage, a huge advantage.

In the event of a serious injury to one person, would a \$100,000 limit be adequate? Probably not. This is all the protection provided by the **Split Limits** of **\$100,000/\$300,000/\$25,000** that is commonly purchased. On the other hand, a Single Limit of \$300,000 or even \$200,000 may satisfy the injured or damaged parties.

Liability insurance protects your assets if someone should win a judgment against you. How? Your auto insurance company will defend you and pay a judgment up to your policy limits. If the injured or damaged person wins a judgment higher than your policy limits, it is up to you to fulfill the remainder of that judgment.

We recommend a *Single Limit* for your protection. The additional cost is minimal. Ask your insurance agent if they offer a Single Limit policy.