



# OLR RESEARCH REPORT

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## MINIMUM AUTO INSURANCE REQUIREMENTS

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You asked why auto insurance companies can provide only \$10,000 in coverage for property damage when most cars cost more than that amount

### SUMMARY

Auto insurance companies can provide \$10,000 in coverage for property damage because that is the minimum amount Connecticut law requires. But an individual may purchase more coverage than the minimum required by law.

### MINIMUM AUTO INSURANCE REQUIREMENTS

Connecticut law requires that drivers continuously maintain at least a minimum amount of financial security (e.g., auto insurance coverage), including liability coverage and uninsured/underinsured motorist coverage ([CGS §§ 38a-335](#) and [14-112\(a\)](#)).

The liability coverage portion of auto insurance covers damage to property and injury to people. The law requires a minimum of \$10,000 per accident for property damage liability. It also requires a minimum of \$20,000 per person and \$40,000 per accident for bodily injury liability. People often purchase higher levels of coverage.

The uninsured/underinsured motorist coverage portion of auto insurance covers bodily injury to the vehicle owner, relatives living with the owner, and passengers injured in an accident caused by (1) an uninsured motorist, (2) a motorist whose bodily injury liability limits are less than the owner's uninsured/underinsured motorist coverage limits, or (3) a hit-and-run driver. The law requires a minimum amount of coverage of \$20,000 per person and \$40,000 per accident. In practice, the standard coverage amount equals a policy's bodily injury liability coverage, but an owner may purchase additional uninsured/underinsured motorist coverage up to double the bodily injury liability.

### **ADDITIONAL INFORMATION**

For more information about auto insurance requirements in Connecticut, please see OLR report [2008-R-0493](#).

For a discussion of compulsory auto insurance requirements in all states, see [http://www.iii.org/issues\\_updates/compulsory-auto-uninsured-motorists.html](http://www.iii.org/issues_updates/compulsory-auto-uninsured-motorists.html). Included is a state-by-state table of minimum liability limits.

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