

Insurance Collision Coverage Limits Explanation

Dear [Policyholder's Name],

We appreciate your decision to choose [Insurance Company Name] for your insurance needs. This letter serves to explain the collision coverage limits included in your auto insurance policy.

Understanding Your Collision Coverage

Collision coverage helps pay for the repairs to your vehicle after an accident, regardless of who is at fault. Here are the key aspects of your collision coverage:

- **Coverage Limit:** Your policy includes a collision coverage limit of \$[Amount], which is the maximum amount we will pay for repairs or replacement.
- **Deductible:** You have selected a deductible of \$[Amount], which is the amount you will pay out-of-pocket before we cover the remaining costs.
- **Types of Damage Covered:** This coverage applies to damages caused by collisions with other vehicles or objects.

Example of Coverage

For example, if your vehicle sustains \$5,000 in collision damage and you have a \$1,000 deductible, you would pay \$1,000, and we would cover the remaining \$4,000.

Important Considerations

It's essential to review your policy limits and choose coverage that fits your needs. If you have any questions or would like to discuss your coverage options, please do not hesitate to contact us.

Thank you for trusting [Insurance Company Name] with your insurance coverage.

Sincerely,
[Your Name]
[Your Title]
[Insurance Company Name]
[Contact Information]