

[Date]

[Policyholder Name]

[Address]

[City, State, Zip Code]

Subject: Explanation of Your Auto Insurance Liability Coverage and Limits

Dear [Policyholder Name],

This letter provides a summary of your liability coverage under policy number [Policy Number]. Liability coverage is designed to protect your assets if you are found legally responsible for an accident that causes injury or property damage to others.

Your current liability limits are as follows:

- **Bodily Injury Liability:** \$[Amount] per person / \$[Amount] per accident.
- **Property Damage Liability:** \$[Amount] per accident.

What these limits mean:

1. **Bodily Injury (Per Person):** This is the maximum amount your insurance will pay for medical expenses, lost wages, and legal fees for a single injured person in an accident where you are at fault.
2. **Bodily Injury (Per Accident):** This is the total maximum amount your insurance will pay for all injuries sustained by all people involved in a single accident.
3. **Property Damage:** This is the maximum amount your insurance will pay to repair or replace someone else's property (such as their vehicle, fence, or building) damaged in an accident you caused.

Please note that if the costs of an accident exceed these limits, you may be personally responsible for the remaining balance. We recommend reviewing these limits periodically to ensure they adequately protect your personal financial situation.

If you have any questions or wish to adjust your coverage, please contact our office at [Phone Number] or [Email Address].

Sincerely,

[Agent Name]

[Insurance Agency Name]