

Auto Insurance 101

There is a lot to know about auto insurance in order to fully understand what you're paying for. The following information provides a quick education to help you navigate the twists, turns and choices involved in buying auto insurance.

Auto insurance includes three broad coverage categories designed to protect you from financial loss if you have an accident:

Property coverage pays for damage to or theft of your car.

Liability coverage pays for your legal responsibility to others for bodily injury or property damage.

Medical coverage pays for the cost of treating injuries, rehabilitation and sometimes lost wages and funeral expenses.

Within the three broad coverage categories listed above, an auto insurance policy is comprised of six different kinds of coverage. Most states require you to buy some, but not all, of these coverages. If you're financing a car, your lender may also have requirements.

- Liability
- Medical payments
- Uninsured motorist/Underinsured motorist
- Damage to your auto
- Personal injury protection (No Fault)
- Additional, optional coverages

Remember that in order for your insurance coverage to take effect, all drivers and cars must be specifically listed on your policy. You should also refer to your automobile contract for the specific terms and conditions of the coverage

that you have purchased. If you have any further questions you should speak directly with an independent agent or Travelers representative.

Liability

Let's face it. If you have an auto accident, the legal costs could be devastating. Liability coverage offers protection against claims, property damage or bodily injury to a third party that you or a member of your household accidentally caused while driving your car. This coverage applies only if the driver is considered legally responsible for the damage.

In addition, liability coverage from Travelers offers:

- up to \$250 for the cost of bail bonds required because of the accident
- premiums on appeal bonds
- interest accrued after a judgment is entered in any suit we defend
- up to \$50 each day for loss of earnings because we have requested that you attend a hearing or trial
- Other reasonable expenses which may be incurred at our request.

Medical payments

The last thing you need to worry about at the time of an accident is your medical insurance. The medical payments portion of your policy assures that you, your family members and passengers in your car will receive necessary medical and dental services resulting from an auto accident...regardless of who caused the accident. We also provide coverage if you and your family members are involved in an accident as a pedestrian.

Uninsured motorist/Underinsured motorist

Uninsured motorist coverage will pay for injury expenses incurred should you, your family members or passengers be involved in an accident with an uninsured motorist. This coverage also provides protection for a hit-and-run accident or an ***accident with a driver who has less insurance than required by law.***

Underinsured motorist coverage comes into play when the other driver is found legally responsible for an accident and has coverage, but not enough to cover your injuries. If your coverage limits are higher than those of the at-fault driver, this coverage will absorb the additional expenses.

Un/Underinsured coverage is not identical in all states since each state has its own uninsured motorist laws. In most states this coverage applies to bodily injury only. However, property damage coverage is available in some states.

Damage to your auto

We've discussed legal and medical damages. Another common loss is the physical damage to your vehicle that can result from an accident. There are two types of physical damage coverages: Collision and Comprehensive.

Collision coverage pays for any damage to your car caused by accidental impact with another vehicle or object...or if your vehicle overturns. The maximum amount to be paid is limited to the actual cash value of your vehicle, which is often referred to as the "local market value," less the collision deductible. Please remember that the local market value is only a starting point. The actual cost of the car may be more or less depending on the actual condition of the car.

Comprehensive coverage pays for most types of damage to your car resulting from a situation other than a collision. Typical examples include breakage of glass, falling objects, fire, theft, windstorm, hail, water, flood, malicious mischief, vandalism, or impact with a bird or animal. The maximum amount paid is limited to the actual cash value of your vehicle less the "other than collision" deductible.

Situations where damage is not covered. Please be aware that your policy will not pay for damages due to normal wear and tear such as mechanical or electrical breakdowns and flat tires.

Personal injury protection (No-Fault)

Your policy will provide no-fault insurance for residents of states where it is required. This means that you, your family and any passengers are covered under your policy regardless of who is responsible for the accident. This coverage includes medical, surgical, dental, hospital, work loss and certain other related expenses. This same coverage extends to you or your family member in an accident as a pedestrian.

Additional, optional coverages

Some coverages are not included as part of the basic auto policy. However, you can customize your policy to your needs by adding the following coverages:

- **Towing and labor:** pays for towing and labor costs each time your car is disabled. Covered labor must be performed at the place where your car is disabled. There's usually a limit to the dollar amount that will be applied to each loss.
- **Rental reimbursement:** pays for a rental car if your car is damaged by a situation covered by comprehensive or collision coverage and if your car is out of commission for more than 24 hours.
- **Tapes, records, CD coverage:** pays up to a certain amount for loss of tapes/CDs used with your car's stereo equipment, as long as they are in your car at the time of loss.
- **CB radio/car phone:** Unless installed by the manufacturer, these items are not covered under your basic policy. This additional coverage pays for loss to your CB or two-way radio/telephone if the equipment is not permanently installed in your car at the time of loss.

Please call (513) 489-6422 or cincy@u-nsure.com for more info or a quote.