

Is It Covered or Not?

Personal Auto Policy – Costs



What costs are involved when you're in an accident?



Even a minor accident can result in thousands of dollars in damages

- Damage to your car
- Damage to other cars involved
- Medical bills
- Lost wages
- Pain and suffering
- Prosecution
- Legal fees
- Fines



- Physical Damage
- Medical Payments
- Physical Damage Liability
- Loss of Income
- Liability – Bodily Injury

What is Automobile Insurance?

- An auto insurance policy is a contract between you and an insurance company
- You pay a premium, and in exchange, the insurance company promises to pay for specific car-related financial losses during the term of the policy



Is It Covered?

- Jeff's 14-year-old son decides to try his hand at driving one night. Unfortunately, his driving was as faulty as his judgment. He hit a parked car near the police station
- As long as the policy was in force and the vehicle was listed on the policy, will coverage apply for this loss?

Liability

Who Can Drive Your Car?

- Named insured and family members
- Anyone you give permission to drive your car
- Any person or organization responsible for acts of covered person
- Any person or organization responsible for use of auto

Included in Limit

- Damages for bodily injury or property damage

Outside of Limit

- Defense costs

Is It Covered?

- Jessica is helping out with a spaghetti dinner at the community center. She is on her way back from the store with needed supplies when she runs into someone at an intersection.

It was clearly your insured's fault

- The injured party decides to sue Jessica and the center, since she was on an errand for them.

Will the center be protected by Jessica's policy?

Is It Covered?

- Alex is helping a friend move her furniture into her new house. On the way to the new house, Alex has to stop the car very quickly and three valuable lamps in the trunk are broken.

Will the damage to these lamps be covered by John's auto liability?



Liability Exclusions

- Intentional injury
- Property owned or transported
- Property rented to, used by or in care of insured
- Bodily injury to employee – domestic employee is covered
- Public or livery

Is It Covered?

- Tamika works in the same building with four other people from her neighborhood. They decide to start riding to work together.
- Since Tamika has the largest vehicle, she agrees to drive all the time. In exchange, the other four people pay her \$10 per week.

If Tamika has an accident that causes bodily injury to the passengers in another vehicle, is coverage provided by her auto liability?

Is It Covered?

- Alex decides he would save a little money by insuring only one of his two cars. He heard that he had coverage for driving any car, so Alex figured he didn't need to insure the second vehicle.

If a loss occurs while he is operating the second vehicle, will coverage apply?

Liability Coverage Exclusions

- Excludes liability for an owned vehicle not insured or a non-owned vehicle furnished for your regular use (*company car*)



Is It Covered?

- Cameron calls to tell you he has been involved in an accident. He was driving his friend's car, lost control and hit a pedestrian. His friend has auto insurance and Cameron has auto insurance as well.

Which policy would pay? Do both pay?



Is It Covered?

- While walking down the street with her family, Allison is stuck by a vehicle that comes up on the sidewalk

*Would this be covered
and on whose policy?*



Medical Expenses

- Medical payments coverage under a Personal Auto Policy is similar to an accident policy... if the injured person is an "insured," it pays without regard to liability or fault
- Reasonable and necessary medical and funeral costs due to accident
- Within 3 years
- Medical, surgical, x-ray, dental and funeral services
- Range from \$1,000 to \$10,000 per person

Is It Covered?

- While using his Toyota for his business, Enrico is injured when he slams his hand in the car door

Would Enrico's Medical Expense Coverage apply?



Is It Covered?

- Lamar is injured by a driver who provides the insured with false information. When the insured tries to contact the person's insurance company, it becomes clear that they have never heard of the person who hit Lamar
- When they try to call this person, they discover he has given them a fictitious phone number and address. It is apparent that Lamar will not be able to find the person who hit him

Can he get any coverage from his own policy?

Uninsured Motorist (UM)

- Uninsured Motorists and/or Underinsured Motorists (UIM) coverage is liability insurance to protect the insured from persons who fail to maintain liability coverage or chose lower liability limits than their own policies
- The other party must be legally responsible
- Pays medical expenses, rehabilitation, lost wages, pain and suffering
- Property damage subject to deductible

Is It Covered?

- John decides to make a little extra money on the accident he was involved in. The person who hit him agreed to pay him \$2,500 if he would not report the loss to his insurance company
- John agrees and accepts the payment. He then decides to report the claim. During the investigation the company discovers that he accepted the \$2,500

Would they pay?

Is It Covered?

- While Penny is on vacation, she rents a vehicle to see the sights. While driving down a scenic street, she is not paying attention and she rear ends someone

Will Penny's auto policy respond to the damage to the rented vehicle?



Physical Damage Coverage

Other than Collision – **Comprehensive Loss** caused by the following is considered other than "collision"

1. Missiles or falling objects
2. Fire
3. Theft or larceny
4. Explosion or earthquake
5. Windstorm
6. Hail, water or flood
7. Malicious mischief or vandalism
8. Riot or civil commotion
9. Contact with bird or animal
10. Breakage of glass

*"**Collision**" means the upset of "your covered auto" or a "non-owned auto" or their impact with another vehicle or object.*



If breakage of glass is caused by a "collision" – you may elect to have it considered a loss caused by "collision"

Is It Covered?

- John parks his car in a parking garage. When he returns, his GPS system that was permanently installed under the dash is gone
- Also missing is his Bluetooth system which was temporarily mounted to the console
- John has Comprehensive Coverage
What, if any, of this loss is covered?

Electronic Equipment Exclusion

Loss to any electronic equipment that reproduces, receives or transmits audio, visual or data signals. This includes but is not limited to:

- Radios and stereos
 - Tape decks
 - Compact disk systems
 - Navigation systems
 - Internet access systems
 - Personal computers
 - Video entertainment systems
 - Telephones
 - Two-way mobile radios
 - Scanners
 - Televisions
 - Citizens band radios
- Exclusion (4) **does not apply to electronic equipment that is permanently installed** in "your covered auto" or any "non-owned auto"
 - Loss to tapes, disks or other media used with equipment described in Exclusion (4) is also excluded.



A photograph of a piece of lined paper with the word "Questions?" written in a large, black, cursive script. A black marker is positioned at the bottom right of the word, with a long, curved underline drawn beneath it. The paper has vertical blue lines. There are colorful paint splatters in the top left and top right corners of the overall image.

Questions?