



How to Meet the Auto Insurance Requirement

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What is the insurance policy for someone driving a car with Illinois plates?



- **REQUIRED** to be covered by at least a minimum coverage insurance policy
- Minimum coverage includes:
 - At least \$20,000 for bodily injury of 1 person in case of an accident
 - \$40,000 for bodily injury for more than 1 person in case of an accident
 - At least \$15,000 for property damage in case of an accident

Who does your insurance policy cover?



1. YOU, regardless of the car you are driving
2. The car listed in the policy
3. Any person named in the policy
4. Any person you only occasionally allow to drive the covered car

Who does your liability policy cover?



- Pays
 - for damage caused by you or other insured driver to another persons property, including their car, house, road sign, tree, and any other property you damage
 - For bodily injury caused by you or other insured when driving
 - only up to the coverage limits

What types of auto insurance coverages are offered?



Liability Coverage

- Pays for the damages you owe for damage to someone else or their property

Collision Coverage

- Pays for car repair if YOU caused the damage

Comprehensive Coverage

- Pays for car repair on your vehicle if something ELSE (tree limbs, hail, etc.) not caused by the car being driven

What services does liability insurance provide?



- If you have liability insurance, you must be accused of being more than 50% at fault to qualify as a claim against you (in most states)
 1. An adjuster to determine if you would likely be found more than 50% at fault
 - If at fault, negotiate a fair amount owed to other party
 - If agreement can't be made, they will provide an attorney to defend you if sued or someone to handle arbitration

What services does collision coverage insurance provide?



1. Negotiate with other party or their insurance company to get reimbursement for your vehicle, either cost of repairing vehicle or fair market value of car, usually whatever is less, to reimburse for their cost and your deductible, if you had to pay one
2. Storage costs if vehicle is not driveable after an accident

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3. Replacement value of the vehicle (if included in your policy)
4. Rental costs for a replacement car while your car is being repaired up to a certain amount per day for a certain number of days

What should you expect from your insurance company?



- Declaration of Coverage Page Sheet

- Lists types of coverage you are carrying
- The cost of each coverage
- The amount the insurance company will pay on your behalf
- Any deductibles you must pay
- Your total premium
- The person(s) covered by the policy
- The vehicle covered by the policy

- Insurance Card

- State the name of your agent if needed to be contacted
 - The policy number
 - Description of the vehicle covered
 - Names of the person(s) covered
 - Instructions to report a possible claim
- IF A POLICE OFFICER ASKS FOR THIS CARD WHEN STOPPED OR IN AN ACCIDENT AND YOU DO NOT HAVE IT, YOU WILL RECEIVE A TICKET**

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Declaration of Coverage Page Sheet

DECLARATIONS

B.I.G. INSURANCE CONGLOMERATE
— B.I.G. AUTO INSURANCE COMPANY
— B.I.G. LIABILITY INSURANCE CO.
 B.I.G. AUTO FINANCE COMPANY

(Policy Number) 80-42910

(Previous Policy Number) 79-31241 (COMPANY NAME)

Policy Period: 12:01 A.M. Standard Time From: 08/21/98 To: 08/21/99 1 (Year)

Named Insured and mailing address: Daniel Lawrence
4029 Tree St.
Middletown, Massachusetts
(Number, Street, Apartment, Town or City, County, State, Zip Code)

Description of Auto(s) or Trailer(s)

Auto	Year	Trade Name - Model	VIN	Sym	Age
1	1996	Oldsmobile Cutlass	1G3WH12M6T	7	3
2					
3					

The Auto(s) or Trailer(s) described in this policy is principally garaged at the above address unless otherwise stated.
42 Dusty Road
Samlltown, Colorado
(Number, Street, Apartment, Town or City, County, State, Zip Code)

Coverage is provided where a premium and a limit of liability is shown for the coverage

Coverages	Limit of Liability	Premium
		Auto 1 Auto 2 Auto 3
A. Liability	\$ 100,000 each accident	\$ 312 \$ \$
B. Medical Payments	\$ 1,000 each person	\$ 18 \$ \$
C. Uninsured Motorists	\$ 25,000 each accident	\$ 22 \$ \$
D. Damage to your Auto	ACV minus \$ 100 Deductible	\$ 163 \$ \$
1. Collision Loss	ACV minus \$ 100 Deductible	\$ 128 \$ \$
2. Other Than Collision Loss	(\$ 25 each disablement)	\$ \$ \$
(Towing and Labor Costs)	(ACV means Actual Cash Value)	(\$ \$ \$)

Endorsements made part of this Policy at time of issue:

Endorsement	Endorsement Premium
PP 03 03 04 86 (T&L)	\$
PP 03 05 08 86 (LP)	\$
Total Premium	\$ 647

Loss Payee: First Bank of Samlltown
101 Wide Avenue
Samlltown, Colorado

(This policy shall not be valid unless countersigned by our authorized agent)
(Countersignature Date) 08/21/98 (Agency at:) Samlltown, Colorado
Rocky Rhodes (Agent)
John Bigg (Company Officer), V.P.
Title

Insurance Card

TRAVELERS

POLICY DECLARATIONS

1. Named Insured **Your Agency's Name and Address**

LAURIE A TEST
PO BOX 88
TEST FALLS NY 13613

TEST SHORE ASSOCIATES
PO BOX 220
5415 WEST MAIN STREET
TEST NY 130310220

Your Policy Number : 123456789 101 3
Your Account Number : 12345678 ← Account Number

2. Your Total Premium for the Policy Period is \$373.00
The policy period is from June 19, 2002 to December 19, 2002.

3. Your Vehicles **Identification Numbers**

Vehicle	Identification Numbers
1 1996 DODGE CARAVAN	2B3FF4567TR890123
2 1978 CHEVR 2 DOOR	1L23U45678901

What should you do when driving a friend's car?



- Make sure your policy will cover damages in case of an accident up to the fair market value of the vehicle
- If you do not have coverage, make sure your friend's insurance covers collision up to the damages of their car
- Ask where the insurance card is in case of an accident
- If they do not have coverage, do NOT drive the car unless your insurance would cover damages

What is the difference between repairing your car and a total loss and salvage value?



Car repair

- Your insurance provider will only pay to repair damages if the value of the car is more expensive than the cost of repairs
- Many companies decrease the value of the car based on model, year, mileage, area sold and bought and overall condition before the accident
- If the repair cost exceeds this value, it is considered a total loss

Total Loss and Salvage Value

- If the damage to your vehicle is considered "totaled," it still has value
- It will be sold for the parts not damaged and in good enough
 - This is called the salvage value and can be substantial
- Some companies buy cars based on their salvage value the insurance company will receive
- When getting reimbursed for total loss of the vehicle, include salvage value



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