

- **Keep tabs on credit:** An insurance score is a snapshot of your insurance risk based on factors from your credit report. Studies show individuals with a stable credit history file fewer claims than those with poor credit. Many insurers take this into consideration when assessing insurance risk. Find consumer info on insurance scoring at <http://bit.ly/1KonCZi>.
- **Use caution when parking.** Park in well-lit areas, close all windows and lock the doors.
- **Reduce daily driving.** The more you drive, the more likely you'll be involved in a crash.

### AFTER A CRASH

If involved in a crash causing death or injuries over \$500 or damages exceeding \$400, consider filing a Motor Vehicle Crash Report with the Ohio Bureau of Motor Vehicles (BMV) if you suspect that others involved in the crash were uninsured. The owner or driver (or insurance company representative) of an insured vehicle that is involved in a crash with an uninsured vehicle may file a Motor Vehicle Crash Report (<http://bit.ly/hrdJFY>) with the Bureau of Motor Vehicles as part of the process to suspend the driving privileges of the uninsured driver. See the crash report form for requirements.

### COVERAGES DEFINED

Coverages are provided up to the limits noted on the “dec page” of the policy. The common types of auto insurance coverages are:

**Bodily Injury Liability:** Provides coverage for injury or death claims against you in an auto accident. Legal defense costs are provided in addition to liability limits.

**Property Damage Liability:** Provides coverage for damage to the auto or property of others caused in an at-fault crash.

**Medical Payments:** Pays for medical or funeral expenses resulting from an auto accident, regardless of fault, for you and your passengers.

**Uninsured Motorists (UM):** Provides injury coverage to the insured driver, resident members of your family and passengers, up to the policy limits, when involved in a crash caused by the owner or operator of an uninsured vehicle or a “hit-skip.” The named insured and family members are also covered as pedestrians if struck by a UM vehicle.

**Underinsured Motorists (UIM):** Provides injury coverage to the insured driver, resident members of your family and passengers, up to the policy limits, when involved in a crash where the at-fault driver’s policy limits are less than your UIM limit.

**Uninsured Motorists Property Damage (UMPD):** Provides coverage for your vehicle if involved in an accident with an uninsured motorist. If you carry collision coverage, your insurer is not required to offer UMPD.

**Collision:** Pays for damage to your car caused by impact with another object or an overturn, irrespective of fault. Deductibles apply.

**Comprehensive or Other Than Collision:** Pays for your vehicle damages other than those caused by a collision or overturn. Examples include theft, vandalism, fire, windstorm and flooding. Covered perils are listed in your policy and a deductible applies. Be sure to review exclusions.

### ONLINE RESOURCES

- All OII consumer *Fact Pak* brochures: <http://bit.ly/2mqT01O>
- Ohio Department of Insurance auto guide: <http://bit.ly/2IIRf1c>
- Insurance Institute for Highway Safety’s vehicle safety info: <http://bit.ly/g7TZvT>
- National Highway Traffic Safety Administration vehicle safety info: [www.safercar.gov](http://www.safercar.gov)
- Insurance company rating services: <http://bit.ly/2IILIHV>
- OII How to save on auto insurance: <http://bit.ly/2m56Ov6>
- OII FR Law *Fact Pak* brochure: <http://bit.ly/2nbmJtQ>
- What to expect when your car is totally wrecked: <http://bit.ly/1Uxb1mW>

### FOR MORE CONSUMER INFORMATION

OII offers free consumer brochures covering a variety of homeowners and auto insurance issues, consumer safety tips and insurance laws. Visit [www.ohioinsurance.org](http://www.ohioinsurance.org) for a variety of consumer-related materials.



Representing Ohio's property/casualty insurance industry

- 172 E. State St., Suite 201 • Columbus, OH • 43215-4321 • 614.228.1593 • [info@ohioinsurance.org](mailto:info@ohioinsurance.org) • [www.ohioinsurance.org](http://www.ohioinsurance.org)

# CONSUMER FACT • PAK



## Auto Insurance

- Basic Parts Of An Auto Policy
- Deciding On Coverages
- Selecting A Company Or Agent
- Auto Insurance Cost Saving Tips
- After A Crash
- Coverages Defined
- Online Resources



## BASIC PARTS OF AN AUTO POLICY

**Declarations:** Personalizes the policy—makes it specific to you (the policyholder). “Dec page” information includes your name, address, make and model of the insured vehicle(s), vehicle identification numbers (VIN), coverage period, policy number, driver(s) covered, types and limits of coverages, deductibles and the premium.

**Coverages:** Details the coverages purchased. Common coverages are: liability (bodily injury and property damage to others), medical payments, uninsured/underinsured motorists, uninsured motorists property damage, collision and other than collision (comprehensive). (See reverse side for coverage definitions.) Your company or agent can assist in evaluating coverages that are appropriate to your needs.

**Supplementary payments:** Provides for payment over the policy’s limits for liability coverage for expenses incurred by the insurer, costs taxed against you in a court suit, attorney’s fees and other related costs.

**Exclusions:** Specifies policy limitations—what’s not covered by the policy. In some cases, you can purchase additional coverage for exclusions or raise limits for adequate protection through policy “endorsements.” Endorsements provide additional coverage for additional premium. Check with your insurer regarding available endorsements.

**Conditions:** Establishes the conditions that must be present or complied with by the company and policyholder. An insurance policy is a legal contract defining duties and responsibilities of the company and policyholder. Examples include time-period restrictions, duties in the event of a claim, proof of loss and cancellation procedures. It is especially important that you understand your duties in the event of a claim. Failure to comply could impact coverage.

**Definitions/general provisions:** Contains miscellaneous information including definitions of policy terms and conditions regarding policyholder and insurance company rights.

## DECIDING ON APPROPRIATE COVERAGES

When evaluating coverages and limits of auto insurance, consider the following:

### **Ohio’s financial responsibility (FR) law:**

The purpose of Ohio’s FR law is to assure compensation to victims when injuries or damages are sustained in a crash. There are several ways to comply with Ohio’s FR law but the majority of Ohioans choose to do so by purchasing auto insurance.

**FR proof:** When stopped for a moving violation or vehicle safety check you are required to show FR proof. This is in addition to providing proof at a traffic court appearance or upon written request from the BMV. Insurance companies issue “auto insurance ID cards” to new and renewal policyholders. These ID cards are accepted as FR proof. An electronic insurance ID card from your insurer is also an accepted form of insurance proof in Ohio and many other states.

As a licensed vehicle owner, you are also a candidate for the BMV’s random verification program by mail. Printed or electronic copies of the auto insurance ID card, your policy’s “dec page” or authorized FR bond satisfy as proof.

**FR minimum limits:** If you choose to comply with the FR law through insurance, state minimum limits are:

- Bodily injury liability—\$25,000 per person and \$50,000 per accident and
- Property damage liability—\$25,000 per accident.

These limits may not be sufficient, especially considering the cost of lawsuits and vehicle repairs. Higher limits are available and should be discussed with your insurance professional to obtain the best coverage for your needs. Keep in mind you could be held personally responsible for injuries or damages that exceed your policy limits.

**Your car:** For older cars, consider eliminating optional coverages like collision and other than collision (comprehensive). You might want to consider uninsured motorists property damage for older cars if you eliminate these coverages.

**Deductibles:** Consider raising your deductibles (an amount of any insured loss that you cover) and you could save 15 percent or more. Consider using any premium savings to increase liability limits.

## SELECTING A COMPANY OR AGENT

Purchasing insurance requires attention just like other major investments you consider.

Check with several insurance agents and companies before making a decision. Price should not be the sole deciding factor—service and coverage should be major considerations. Ask questions regarding the claims process; how long they’ve been in business; the availability of discounts; and the company’s financial stability or rating. Ask friends and family for recommendations too. Policies don’t always provide the same coverage so ask what’s covered and what’s not.

Some insurers provide online quotes and coverage comparisons. If purchasing insurance online, be sure to assess the need for an insurance professional before finalizing the agreement. Be prepared to provide information such as the car make and model, annual miles driven, and the driving information of family members that will be included on the policy. When making the final decision, compare cost, quality of service and product, and coverages. For more on tips on selecting an insurance provider, go to: <http://bit.ly/2m7UcED>.

## AUTO INSURANCE COST SAVING TIPS

- **Comparison shop.** Check with several insurance companies and agents. Service should be a major consideration, as well as the company’s claims handling process and financial stability.
- **Raise deductibles.** You can reduce your premium by shouldering some of the risk. By increasing deductibles, you are responsible for small losses, not your insurer. By increasing your deductibles from \$250 to \$500, you could reduce your physical damage premiums by 15 percent or more.
- **Choose the right car.** Premiums are likely higher for luxury, sport cars and SUVs due to increased collision and repair costs and theft experience.
- **For older cars** consider eliminating optional coverages like collision and other than collision (comprehensive). Keep the required liability protection in force, which will pay for any damage you cause to another individual or their property. This also is required to meet Ohio’s Financial Responsibility law.
- **Ask about discounts.** Many auto insurers provide discounts for multiple cars, good student/safe drivers, antitheft devices and defensive driver training programs. Many offer discounts when carrying homeowners or another type of insurance with them too.
- **Be a safe, defensive driver.** One at-fault accident or major traffic violation can affect future premiums 10-40 percent or may place you in a higher risk category. Some companies reward policyholders for remaining accident-free for a specified length of time.
- **Avoid filing excessive or fraudulent claims.** The more you file, especially small ones, the greater the likelihood that future premiums will reflect this. “Padding” a claim is insurance fraud - a crime punishable by law.