

Auto Insurance 101

For agent use only, not to be distributed to the consumer

Declarations Page aka “Dec Page”

- ▶ Also known as an auto insurance coverage summary, this page is provided by your insurance company and lists the following:
 - Types of coverage you have elected
 - Limit for each coverage
 - Cost for each coverage
 - Specified vehicles covered by the policy
 - Types of coverage for each vehicle covered by the policy
 - Other information applicable to the policy

Coverages

- So, let's take a look at the different types of coverage.....



Bodily Injury Liability Coverage (BI)

- ▶ If an insured person is legally liable for an accident, BI coverage pays for injuries/death to people involved in the accident other than the insured driver. BI also pays for legal defense costs if you are sued. Certain exclusions may apply. Refer to your policy.
- ▶ (In Kansas the minimum limit for BI is \$25,000 per any one person & \$50,000 per any one accident. This office strongly recommends going with higher limits and always check requirements for the state for which you are quoting in.)

Property Damage Liability Coverage (PD)

- ▶ If an insured person is legally liable for an accident, PD coverage pays for damage to others' property resulting from the accident. PD also pays for legal defense costs if you are sued. Certain exclusions may apply. Refer to your policy.
- ▶ (In Kansas the minimum limit for PD is \$10,000. This office strongly recommends higher limits and always check state specific requirements.)



Uninsured Motorist Coverage (UM)

- ▶ If a driver or owner of a vehicle does not have insurance and is legally liable for an accident, you can use UM coverage for injuries, including death, that you, your resident relatives, and occupants of your insured vehicle sustain, up to the limits you select. Certain exclusions may apply. Refer to your policy.



Underinsured Motorist Coverage (UIM)

- ▶ If a driver or owner of a vehicle is legally liable for an accident but does not have enough insurance, you can use UIM coverage for injuries, including death, that you, your resident relatives, and occupants of your insured vehicle sustain, up to the limits you select. Certain exclusions may apply. Refer to your policy.



Personal Injury Protection (PIP) Coverage

- ▶ PIP is a coverage in which the auto insurance company pays, within the specified limits, the medical, hospital and funeral expenses of the insured person, people in the insured vehicle and pedestrians struck by the insured vehicle. PIP is the basic coverage implemented in no-fault automobile insurance states.



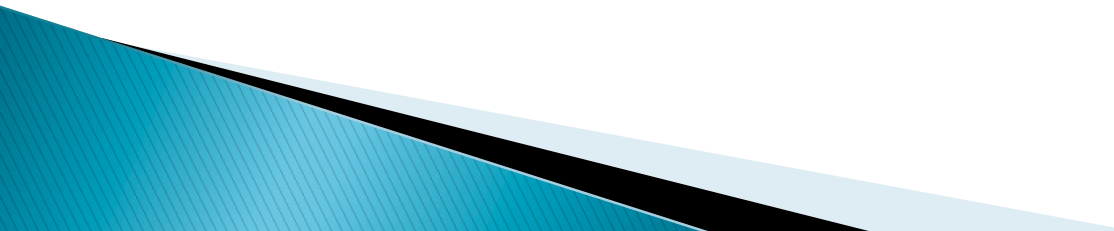
Medical Payments (MedPay) Coverage

- ▶ MedPay is an optional insurance coverage that pays for reasonable and necessary medical and funeral expenses for covered persons. These expenses must be incurred as a result of an auto accident.

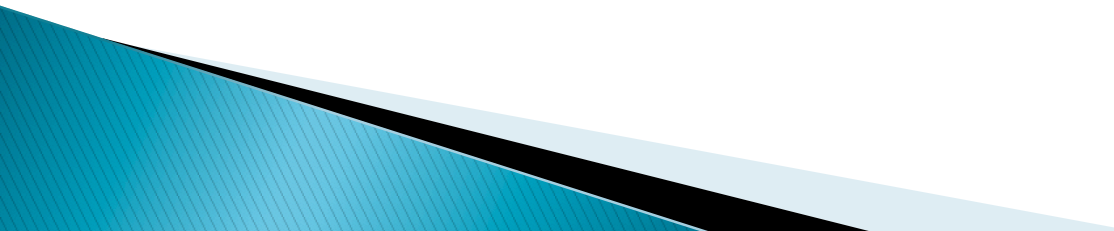
Comprehensive Coverage

- ▶ If your insured vehicle is damaged due to an event other than a collision, Comprehensive coverage will pay for the damage. This includes damages from fire, theft, windstorm, flood and vandalism. If your vehicle is stolen, Comprehensive covers transportation and loss of use expenses when applicable.

Collision Coverage

- ▶ When your insured vehicle overturns or collides with another object, Collision coverage pays for the damage to your vehicle. Collision coverage also may extend to a non-owned vehicle or one rented for personal use that is in your custody or that you are operating. Certain exclusions may apply. Refer to your policy.
- 

Roadside Assistance Coverage

- ▶ Roadside Assistance provides services such as towing, flat tire change, locksmith service and battery jump-start to customers, who can elect the service for an additional premium if it is not already included with their insurance policy.
- 

Rental Reimbursement Coverage

- ▶ Rental Reimbursement provides rental car coverage if you have a claim that is covered under Comprehensive or Collision coverage. Daily rental amounts are subject to the limit purchased.



- ▶ Now that we've looked at the typical coverage types you'll see on a "Dec Page" lets look at some of the other information you'll find that will help you create a competitive quote.

Other Policy Information

- ▶ Insurance Company Name & Policy #
(pay close attention to company/
underwritten by name, as many company
have variations of their name &/or sister
companies. i.e., State Farm Auto or State
Farm Fire & Casualty ect.)
- ▶ Named Insured
The first person in whose name the insurance
policy is issued.

Other Policy Information

- ▶ **Second Named Insured.** The named insured or listed agent/broker on a policy may request to designate any other person listed on the policy as a second named insured. The second named insured has the same coverage under the policy as the named insured
- ▶ **Policy Term**
The length of time your policy is active and in force is your policy term.

Other Policy Information

- ▶ Deductible

A deductible is the amount you agree to pay out of pocket for damage resulting from a specific loss or accident. Generally, choosing a higher deductible will lower your premium..

Other Policy Information

▶ Driver Status

People can be added to policies with the following types of driver status:

- Rated – Actively drive vehicles on the policy
- Excluded – Not allowed to drive vehicles on the policy and will not be covered under your policy in the event of an accident
- Listed – Residents of the household who do not drive the vehicles on the policy (such as a roommate)

Other Policy Information

- ▶ **Garaging Location**

A garaging location is the place you primarily park your vehicle when you're not using it. Generally, this is your primary residence.

- ▶ **Additional Interest Insured**


A company or person who has been named as an additional interest insured on a policy can be liable for an accident that involves an insured person or vehicle. For example, a lienholder can be an additional interest insured.

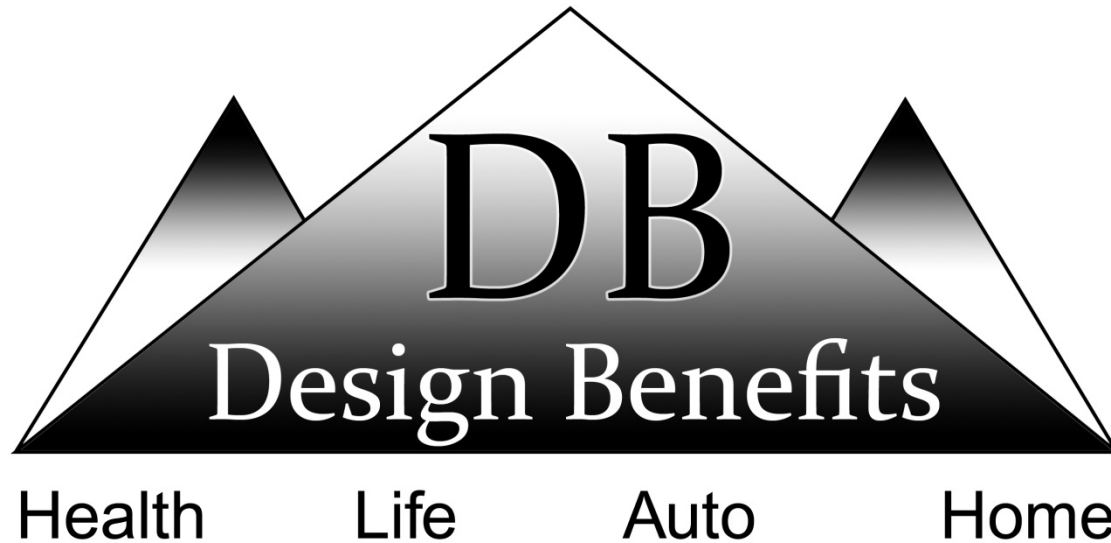
Other Policy Information



- ▶ **Vehicle Identification Number (VIN)**
The Vehicle Identification Number (VIN) for your vehicle is usually found on the driver's side of your dashboard, the vehicle registration or the title. The VIN is a combination of 17 letters and numbers that can be used to identify the make, model and year of a car.

In Conclusion

- ▶ These are the basics of auto insurance in it's most simplistic form
 - ▶ You will be able to use this knowledge when working with various companies, although each company may have their own variation or format for collecting the data, the information will likely be the same.
 - ▶ You are now ready for the next phase of training: "Carrier Specific Quoting"
- 



This presentation is for agent use only, not to be distributed to the consumer