

## AUTOMOBILE INSURANCE

According to Florida law, if you own a motor vehicle with four or more wheels you must carry \$10,000 of personal injury protection insurance (PIP) and a minimum of \$10,000 of property damage liability insurance. You may have a deductible of up to \$2,000 for PIP coverage and \$500 for Property Damage Liability.

Personal injury protection (PIP) insurance covers you regardless of whether you cause an accident (are "at-fault") -- up to the limits of the policy. PIP is designed to reduce the necessity of suing for reimbursement of medical and related bills from auto accidents. PIP pays:

- 80 percent of reasonable medical expenses
- 60 percent of lost wages
- \$5,000 for death benefits

For accidents that happen in Florida, PIP covers you and relatives who live in your home, certain passengers, and others who drive your car with your permission. Pedestrians and bicyclists are also covered if they are Florida residents.

For accidents that happen outside Florida but inside the U.S. or Canada, PIP covers you and relatives who live in your home. In this case, you must be driving your own vehicle. Persons other than you or your relatives are not covered.

Property Damage Liability Insurance pays, for damage you or members of your family cause to another persons property while driving. The term "property" includes, for example, a fence, telephone pole or building, as well as another car.

Coverage applies even if you drive someone else's car. Depending on the terms and conditions of your policy, it may also include anyone else who uses your car without your permission.

All auto insurance policies must include a summary and an outline of coverage in clear understandable terms. "Plain language" descriptions must include the following:

- A brief description of the benefits and coverage and a breakdown of how the premium is applied.
- A summary of what is or is not covered under specific conditions. This would apply to such items as deductibles and limitations.
- A summary of the policy's renewal and cancellation provisions.
- A description of any credits or extra charges.

Although not required by law, many drivers buy other types of insurance coverage in addition to the mandatory PIP and property damage liability insurance. Common optional coverage include: bodily injury liability, collision, comprehensive, uninsured motorist, medical payment, towing, rental reimbursement, and accidental death and dismemberment.

Bodily Injury Liability insurance pays for serious and permanent injury or death to others when your car is involved in an accident, and the driver of your car is found to be at fault to some extent. The coverage applies only after PIP benefits are exhausted. The company will pay for injuries up to the limits of your policy. It also pays for your legal defense if you are sued.

Bodily injury coverage pays for injuries caused by you and members of your family who live with you, even if they are driving someone else's car. It also covers others who drive your car with your permission.

Collision Insurance pays for repairs to your car if it collides with another vehicle, crashes into an object or turns over. It pays regardless of who causes the accident.

Collision insurance does not cover injuries to people or damage to the property of others.

Comprehensive Insurance pays for losses from incidents other than a collision. Examples would be fire, theft, windstorm, vandalism, flood or hitting an animal. Damage caused by falling objects is also covered.

If you have comprehensive coverage, windshield replacement is the only claim for which you are not charged a deductible. Florida law requires this waiver to encourage drivers to immediately replace damaged windshields.

YOU MAY BE REQUIRED TO PURCHASE COMPREHENSIVE AND COLLISION INSURANCE IF YOUR CAR IS FINANCED. It is illegal for the lending institution to require you to purchase insurance from a particular company or agent.

Uninsured Motorist Insurance only pays if you, your passengers or family members are hit by someone who is "at-fault" and does not have insurance, or has less liability insurance than you. This applies whether you are riding in your car, someone else's car or are struck by a car while walking.

Uninsured Motorist Insurance only pays for medical expenses, lost wages (beyond your PIP coverage) and for permanent injuries that you and your passengers suffer.

Property Damage and Bodily Injury Liability Insurance is required for drivers who are convicted of certain traffic violations. One example is driving under the influence of alcohol or drugs. If that driver had an accident where he or she was "at-fault" and could not pay for the damages, then he or she must thereafter obtain insurance coverage.

For more information contact: Bureau of Financial Responsibility, Department of Highway Safety and Motor Vehicles, (904)488-7135.

Medical Payments Insurance covers medical expenses beyond those covered by PIP which result from accidental injury. Medical payments insurance differs from bodily injury liability coverage in that it covers the medical expenses of you, members of your family, and your passengers regardless of who is "at-fault."

This applies whether you're in your car, someone else's car, or are struck by a car while walking. Note that health insurance also covers medical expenses from auto accidents beyond those covered by PIP.

Rental Reimbursement Coverage will permit you to be reimbursed for car rental according to the terms of the policy, if you are in an accident with your own car and it is not drivable.

If the other driver was "at-fault," that driver's liability insurance coverage may reimburse you for renting a vehicle similar to your own. Check with your agent and the insurance adjuster.

Rental cars companies often sell collision damage waiver which, although similar to insurance, is not insurance and does not fall under the regulatory authority of the Department of Insurance.

If you have collision coverage or property damage liability, you may be covered for damage to rental cars driven by you, depending on the terms and conditions of your policy. You may also be automatically covered by your credit card company if you used the card to rent the vehicle. Therefore, the collision damage waiver may not be necessary.

Check your policy before you rent a car and call your agent if you have any doubts.

Accidental Death and Dismemberment Insurance provides coverage, up to the limits of the policy, for accidental death or dismemberment in an auto accident, regardless of who is "at-fault." It covers you and relatives who live in your home.

When you buy auto insurance:

1. Request a quote from several licensed insurance agents. Be sure to ask for the same coverage from each so your comparisons will be accurate. A quote is an estimate of your premium -- it is not a firm price or a contract. It is against the law for an agent to intentionally quote you a low premium just to get your business.
2. Be sure the information on your application is accurate. False or inaccurate information could cause the company to cancel your policy or refuse to pay a claim. Always get a copy of the signed application form.
3. Be sure to get a binder from the agent once you sign the application. The binder is proof of your coverage until you receive your policy. It should show the name of the agent and insurance company, list your cars and the coverage you purchased, and be signed by the agent.
4. Always pay by check or money order made payable to the insurance company -- never to the agent or the agency.
5. You should receive your policy no later than 60 days after the effective date. If you do not, contact your agent immediately.
6. Immediately report any changes affecting your policy to your agent. This would include address or name changes, the addition of a new driver or car, or any change in the use of your car.
7. Keep track of your policy renewal date. Policies are usually for a term of 6 or 12 months. Most companies will send you a bill at least 45 days in advance of your renewal and premium due date.

Property Damage Liability insurance is not required for motorcycle operators unless a driver is required to prove "financial responsibility" due to traffic violations or failure to pay for damages they caused in an accident. Neither PIP nor Medical Payments Insurance is required for a motorcyclist. Indeed, PIP is usually not sold to motorcyclists. However, in order to operate or ride on a motorcycle without headgear, you must have an insurance policy providing at least \$10,000 in medical benefits for injuries incurred as a result of a crash.

If your son or daughter is a legal resident of Florida, attends college in another state and uses a car registered in Florida, you must have PIP and property damage liability coverage on the car. Also, the state where they attend school may have other car insurance requirements.

Any person who has a car in Florida for more than 90 days during a 365-day period must purchase PIP and property damage liability insurance. The 90 days do not have to be consecutive.

If you have recently moved to Florida, it's best to immediately find an insurance agent who will assist you with auto insurance information. Check with your local Department of Highway Safety and Motor Vehicles Office for information on driver licensing and auto registration procedures.

Whether a service warranty is worth the money will depend on how the warranty suits your needs.

Auto service warranties are good only for a specified length of time and only ensure the repair or replacement of items defined in the contract. Service warranties are contracts that are regulated by the Insurance Department.

Finally remember these consumer tips:

1. Read your policy. . . Be sure to read and understand your policy. If you have any questions, call your agent or the Department of Insurance toll-free at 1-800-342-2762.
2. The choice of insurance company and agent is yours... You do not have to buy auto insurance from the dealer who sold you the car or the lending institution financing your car.
3. If you already have a policy . . . You can add a new or additional car to your existing policy.

If you believe you need legal advice, call your attorney. If you do not have an attorney, call The Florida Bar Lawyer Referral Service at 1-800-342-8011, or the local lawyer referral service or legal aid office listed in the yellow pages of your telephone book.