

Auto Insurance Tips

The Basics of Auto Insurance

What is auto insurance?

Owning a car involves several risks. When a car accident occurs, people may be injured and vehicles (or other property) may be damaged. Damage can also occur through theft, vandalism, or natural disasters. Auto insurance can protect you against the financial loss associated with these risks. Insurance companies provide auto insurance through personal auto policies (PAPs). A PAP is a contract between you and your insurer, specifying each party's rights and obligations. Essentially, your insurer promises to provide specific coverage for you. In return, you pay a premium.

Why do you need it?

State law (and/or your car's lender) often requires you to purchase at least a minimum amount of auto insurance. You may find it sensible to purchase greater coverage, however, in order to protect your auto investment, pay for necessary medical expenses, cover your legal liability, and cover any additional losses related to driving. Consider the following: if you cause an accident and the other driver suffers damages over and above your insurance policy's limits, your personal assets and future earnings may be put at risk.

What do you need to know?

First of all, it's important for you to know how to read and understand an auto insurance policy. Next, you'll want to carefully balance cost against desired coverage. Finally, you should allow us the opportunity to evaluate and compare the various car insurance products you want or have, to ensure that you get the best value for your insurance dollar.

•Understanding your personal auto policy (PAP)

Your policy is broken into simplistic and logical sections. It discusses types of coverage, rights, and obligations under the policy, as well as exclusions or limitations. Types of coverage include liability coverage (injuries/damage you cause to other people and other property), medical payments coverage (medical expenses that will be paid--up to a specified limit--regardless of fault), uninsured/underinsured motorist coverage (losses caused by a driver who is uninsured or has inadequate insurance), and coverage for damage to your auto (accident damage and other damage or loss).

•What is a deductible?

Regarding damage to your own auto, collision and comprehensive coverages may each include a deductible. A deductible is basically a risk that is self-insured. It's an amount of money that you are required to pay before your insurance kicks in. Deductibles can come in any dollar amount, but are generally \$100, \$250, \$500, or \$1000.

•Coverage vs. cost

You will always want to balance coverage against cost. Choosing the appropriate level of coverage depends on a number of factors, including the value of your vehicle, the value of assets you must protect, the amount of money you can afford to pay out-of-pocket, and your tolerance for risk. If a claim against you exceeds your coverage limits, you will be personally responsible for the amount that exceeds the coverage. As a licensed independent agency we can tailor the policy to fit your needs. To arrive at the cost of your premium, the insurer will consider the coverage levels you select and will use statistical information about you, the area you live in, and your car.

•Evaluating and comparing policies

Compare policies in terms of coverage, exclusions, the reputation of insurer and then price. If you ever find yourself shopping for different quotes, make sure you are comparing extremely similar policies. Also, weigh the policy cost against both coverage and the quality of service provided.

When to get it

You may need to purchase auto insurance whenever you buy a new or used car. You may also need to reconsider your present policy if your family situation changes. Because marital status, number of children, and asset levels may change over time, you should try to review your existing policies from time to time to ensure adequate coverage is always maintained.

Common Coverages

The following information briefly explains the components of the personal auto policy (PAP), as well as the persons and events typically covered under such a policy.

Anatomy of the personal automobile policy (PAP)

•Declarations page:

Your PAP is a written contract between you and your insurance company. The policy's declarations page contains accurate information concerning you (as the owner of the policy), the vehicles covered by the policy, and other identifying features.

•Part A--liability coverage:

Liability coverage insures you against injuries you cause to other people and damage you cause to other people's property in an automobile accident. Liability claims for pain and suffering can be virtually limitless, so this is one area in which you definitely do not want to be underinsured. The PAP separates liability coverage into two parts: bodily injury coverage and property damage coverage.

•Part B--medical payments coverage:

Medical payments coverage (med pay) pays medical expenses resulting from an automobile accident up to a specified dollar limit. The purpose of "med pay" is to provide payment for immediate medical treatment for passengers of your car who are injured in an auto accident. Because of this, there's no need to wait and find out who is at fault and ultimately liable.

•Part C--uninsured/underinsured motorist coverage:

This coverage insures you against losses caused by someone who is completely uninsured or who has less than adequate insurance to cover the loss (underinsured).

•Part D--coverage for damage to your auto:

Part D coverage actually consists of two separate parts: collision coverage and comprehensive coverage. You can purchase either one or both of these coverages for each vehicle you own. In general, collision coverage insures you against damage to your vehicle caused in an accident. Comprehensive coverage insures you against all other physical damage to your car caused by such events as fire, theft, flood, and vandalism. These coverages can be written with or without a deductible (generally, anywhere from \$100 to \$1,000). The higher the deductible, the lower the premium, and vice-versa.

•Part E--duties after an accident or loss:

This part of the PAP deals with the specific procedures that must be followed in order to have your claim covered by the insurer. It contains a list of general and specific duties that must be complied with. It's essential to follow these procedures carefully, since timely payment of your claim may depend on your doing so.

•Part F--personal auto policy provision:

Part F of the PAP contains various provisions that limit and qualify the coverage provided in other sections of the PAP. Such provisions are commonly referred to as disclaimers. If the conditions set forth in this section are not met, the insurer may be able to deny coverage of a claim.

In addition to these basic parts included in every policy, there are certain optional coverages which can be purchased at an additional cost.

What's Not Covered?

•Exclusions:

Your PAP identifies a number of events and situations that are specifically omitted or excepted from coverage. These are called exclusions. An example would be property damage and personal injury that you intentionally caused, or damage to a vehicle from normal wear and tear or mechanical breakdown.

•Limitations:

Your PAP also specifies certain caps on the dollar amounts of coverage you are entitled to receive under the policy. These are called limitations. Separate limits are generally set for liability, medical payments, uninsured motorists, collision, and comprehensive coverages.

It's important to read your PAP so that you're aware of all the applicable exclusions and limitations. Individuals typically covered under a PAP

•Named insured:

One section of the declarations page identifies you as the named insured, meaning you are the individual who is primarily insured under the policy. As the named insured, you and your vehicles receive the most extensive coverage under your policy.

•Spouses:

Your spouse is generally entitled to receive the same coverage as you (the named insured) under your policy if he or she lives with you, even if he or she is not identified as a named insured on the declarations page of your policy.

•Family members:

Family members (as defined in your policy) are insured by your PAP as long as they own, use, or maintain the vehicle covered by the policy. In fact, family members generally receive almost the same extensive coverage that you do.

•Other people:

If your covered auto is involved in an accident, other people are insured under certain sections of the policy if:

- they were using the covered auto (liability coverage),
- they were occupying the covered auto (uninsured motorists and medical payments coverages)
- they are legally responsible for the actions of any other person insured under the policy (liability coverage), or
- they are entitled to recover due to any bodily injury suffered by you, your resident spouse, family member, or anyone using the covered auto (uninsured motorists coverage). If a vehicle other than a covered auto is involved, other people are insured under your policy as long as:
 - they are not the vehicle's owner and they are legally responsible for the actions of any other person insured under the policy (liability coverage), or
 - they are entitled to recover due to any bodily injury suffered by you, your resident spouse, or relative (uninsured motorist's coverage).

Policy Options

The coverage that your personal auto policy (PAP) provides can be tailored to meet your specific needs. Aside from any required minimum coverages that may apply (and subject to financial concerns), you can select the coverages and amounts you'd like. In addition to the various coverage options, there are also general policy options. Within certain parameters, you can make decisions here as well.

Choosing the policy period

Your PAP is only in effect during the policy period. This period of time is determined when you enter into the contract with the insurer. Typically, auto policies are in effect for one year. You may also be able to purchase auto insurance for longer or shorter periods of time.

Generally speaking, your premiums should be slightly lower when you purchase a policy with a longer period. With longer policies, the insurer can spread out the administrative costs of writing the policy over a longer period of time.

Canceling the policy

Although you can cancel your PAP at any time before the expiration date of the policy, insurers have procedures that must be followed in order to do so. If you ever cancel before the end of the policy agreement there may also be a cancellation fee or penalty. Therefore, it's advisable to check first if you ever find yourself considering early cancellation.

Paying your premium

Insurers typically give you three general options for paying your insurance premium:

- Pay the entire annual premium up front
- Make a down payment on the premium and then divide the remainder into monthly installments
- Pay an equal monthly amount for 10 or 12 months.

Each method has pros and cons. Paying the entire amount up front might be financially impossible for you, but if you can afford it, you can expect to receive some savings. A payment plan, for most, is the preferred approach, but you can expect to pay an additional small service fee in order to enjoy this convenience.

Towing and labor coverage

Optional towing and labor insurance provides coverage for emergency road service and towing. Under this coverage, the insurer will pay towing and labor costs incurred each time your "covered auto" or any "non-owned auto" is disabled, up to the policy limit. This coverage is available any time your vehicle breaks down and is not limited to accidents covered under your physical damage coverage.

The insurer will typically only pay for labor (such as changing a tire or jump-starting your car) performed at the place where your vehicle is disabled, not the repair work done at a service station.

• **Covered auto:** This term includes all vehicles listed on the Declarations page of your policy. It also includes any passenger vehicles that you purchase during the policy period, assuming you give notice to your insurer typically within 30 days after you become the owner.

• **Non-owned auto:** A non-owned auto is a vehicle that either you borrow or use as a substitute for your "covered auto." A borrowed vehicle is covered as long as it is not furnished or available for your regular use. (If a vehicle is furnished for your regular use, you should be listed on that owner's policy.) Substitute vehicles are covered when your "covered auto" is out of normal use because of breakdown, repair, servicing, loss, or destruction.

Transportation expense (rental car) coverage

This optional coverage pays a set amount per day for transportation expenses (including a rental car) if your car is being repaired because of an accident. This coverage is often limited, and does have a maximum amount of coverage stated in the policy. For an additional premium, the per-day and maximum limits can usually be increased.

Typically, the coverage applies only if your vehicle is unusable for more than 24 hours. The payment is further limited to the period of time reasonably required to repair your vehicle.

In order for the rental benefit to take effect, the theft or accident has to be one that is covered under the physical damage section of your policy. Depending on your policies specific details, this coverage may or may not apply to stolen vehicles.

Reading Policies

Let's be honest: reading an auto insurance policy is not a popular pastime. After all, an insurance policy is really a legal contract. It contains a lot of dry, technical legal language as well as jargon specific to the auto insurance industry--not exactly Saturday afternoon leisure reading. Nonetheless, it's probably a good idea to sit down and thoroughly read your policy.

Ideally, you did this when you bought the policy. It only makes sense to read a contract before entering into it so that you're fully aware of your rights and obligations, among other things. If you didn't, you really should read your policy at some point, and then contact us with any questions or concerns.

Declarations page

Like other insurance contracts, your policy begins with a declarations page. This page identifies the policy number and provides important information including the policy term, coverage limits, and information about the insured. If you bought the policy for your car, you are probably the named insured. If so, the declarations page will contain your full name, and may also contain the names of family members and other drivers in your household. Also included here is your complete legal address, which may differ from the address where the covered auto is principally kept. The address where the car is kept helps determine your premium, but it is your legal address to which all correspondence about the policy will be sent.

If you got a loan to purchase your car and there is still an outstanding balance, the lender will be listed as "loss payee" on the declarations page. Because your lender has a financial interest in your car, they are entitled to receive payment under your auto policy if the car is damaged or destroyed. Consequently, information about your lender must be listed in the "loss payee" section of the declarations page.

The declarations page also contains a description of the vehicle(s) covered under the policy. This description includes each vehicle's year, make, model, serial number, address where garaged, etc. The declarations page also indicates how each vehicle is used (i.e., for pleasure, business purposes, commuting to work, etc.). Your premium will be partly based on this information about your car.

If you elected to purchase one or more "endorsements" to expand and/or restrict the coverage your policy offers, these will be identified on the declarations page by name, form number, and date. The endorsements must be listed here in order for your insurer to provide that particular coverage. Finally, the declarations page shows the annual policy premium--the amount you're paying your insurer for the insurance coverage. The total premium is a figure that results from adding up the separate premiums charged for each specific type of coverage.

Insuring agreement

Your policy contains a general insuring agreement, which is basically a broad statement listing the perils and risks covered under the contract. The insuring agreement also identifies exclusions, which are specific events and circumstances the policy will not cover. These noncovered situations are spelled out explicitly so as to minimize the policyholder's confusion about what's covered and what's not.

Definitions of terms commonly used throughout the policy are included in the insuring agreement, as are certain special provisions. The purpose of these special provisions is to prevent policyholders from taking unfair advantage of their auto insurance. For example, one special provision requires you to notify the insurance company if you want to add new vehicles to your policy. Otherwise, you could insure multiple

vehicles under the same policy without informing your insurer, and obtain coverage for all of them with no premium increase.

The ISO Policy Form

The auto policy is completed with the attachment of the ISO Personal Auto Policy Form to the declarations page. This form spells out in detail the six main auto insurance coverages provided under the policy.

- **Part A--Liability Coverage:** This provides protection against losses to an insured, caused by bodily injury or property damage to someone else that arises out of the use of an insured vehicle.
- **Part B--Medical Payments Coverage:** This provides coverage for various medical expenses incurred by the insured and others as a result of an accident, regardless of negligence or liability on the part of the insured.
- **Part C--Uninsured/Underinsured Motorists Coverage:** This provides coverage for losses the insured and others sustain when injured through the negligence of an uninsured, underinsured, or unidentified "hit-and-run" motorist.
- **Part D--Coverage for Damage to Your Auto:** This provides coverage for losses the insured suffers as a result of damage to his or her covered vehicle (and/or its contents). This coverage consists of two parts: collision (for collision-related damage) and comprehensive (for damage not caused by a collision).
- **Part E--Duties after an Accident or Loss:** This section imposes various requirements on the insured in the event of an accident or other loss. If you do not comply with the duties spelled out in this section, you may forfeit your contractual rights under the policy.
- **Part F--General Provisions:** This section specifies certain conditions that apply to the entire policy or insuring arrangement. These include provisions for fraud, bankruptcy of the insured, and cancellation of the policy, among other things.

Comparing Policies

Before purchasing auto insurance, you are encouraged to always evaluate and compare the various products offered to ensure you get the coverage you need at an acceptable level of value. Additionally, because your personal and financial obligations change over time, you will occasionally need to review your personal auto policy (PAP) to confirm that it adequately meets your current needs. If it doesn't, you may choose to increase or replace your policy.

Evaluate the coverage you already have

Before buying new or additional coverage, first review and understand the coverage you already have. It's a good idea to discuss with us, or your financial advisor, your auto policy when reviewing or updating coverage levels. Talk about your current and future insurance needs. You may be able to increase your liability coverage or make limited changes to an existing policy if you find that the coverage you have is inadequate. On the other hand, there may be occasions when you need to purchase an entirely new policy.

The following is a list of some common events that should trigger a review of your personal auto policy:

- **Your annual policy is up for renewal:** review it and make necessary changes. Usually a month or so before renewal is an ideal time to consider modifications.
- **Your family status changes (married, divorced, kids):** You may become more concerned about protecting assets after you get married, or you may wish to purchase more liability or collision coverage after your son or daughter gets a driver's license.
- **Your property increases in value:** Your home is one of your most valuable assets. Without adequate auto liability protection, your home could be lost to pay a judgment against you.
- **Your net worth increases:** As your net worth increases, you will have more assets (and more valuable assets) to protect.
- **You buy a new (or additional) car:** When you buy a car, you'll need to change your automobile policy to insure it. Take a few minutes to review your liability coverage under that policy, and make sure that your liability limits are still adequate.

Comparing policy terms and conditions

Although automobile insurance policies are standardized to a certain extent, it's still important to compare specific policies in terms of coverage, exclusions, the reputation of the insurance company and value. Some points to consider:

- When comparing policies, always make sure you are comparing very similar policies. You can't fairly weigh one policy against another unless you are comparing similar provisions and exclusions. Think about deductibles and limits of liability, as well as price. To do this means you will want to spend time carefully reviewing each policy's general language and details.
- Weigh the policy cost against coverage and the service you'll receive.
- Evaluate the strength and reputation of the insurance company. It's important to buy auto insurance from a financially sound, reputable insurance company. You can check the ratings published by one of several companies, such as A.M. Best, Moody's, Standard & Poor's, or Duff & Phelps.

Saving Money

Saving Money on Auto Insurance

If you own a car and drive it, going without insurance is generally not an option. In most states, you may be required by law to purchase a minimum amount of liability coverage. And you should probably have more than just the bare minimum if you want to provide yourself with adequate protection. There are steps you can take, however, to reduce your auto insurance costs without having to go to extremes. Some or all of these steps may be appropriate for you, depending on your circumstances.

Specific ways to save money on auto insurance

Increase your deductible: For many people, raising the deductible on their auto insurance is a good way to cut the cost of the policy. Sometimes you can reduce your annual premium by 10 percent or more if you increase your deductible from, say, \$250 to \$500. If you do this, however, make sure you have the financial resources to handle the larger deductible if and when, the time comes.

Narrow the scope of your coverage: If you drive an older car worth less than \$1,000, it may be cost-effective to drop collision and comprehensive coverage. The rationale is that even if the vehicle were severely damaged in an accident, the amount the insurer would pay for its repair or replacement would be relatively small.

You might also consider dropping any options you may have added to your policy (special provisions for items like towing and labor, car rental, and loss of income). Removal of these items may reduce your premium somewhat, but will also expose you to the costs in question.

Lower coverage amounts: You can also reduce the amounts of certain coverages. Again, be careful. You don't want to be inadequately insured, especially in the area of liability. You should almost always keep your liability coverage at as high a level as possible because this is where you can have the greatest losses. You may be able to lower your coverage amounts in other areas (such as collision and comprehensive), but don't rush into such a decision just to save a few bucks. Talk it over with us first.

Drive less: If you drive less than a certain number of miles in a year, you may qualify for a low-mileage discount. If the insurer offers this discount, try to limit your driving as much as possible. If you commute to work, use public transportation instead of driving. When you go away on vacation, fly, rent a car, or take a train.

Don't use car for business purposes: Since work-related driving generally subjects you to a higher premium than pleasure driving, it may be in your best interest to stop using your car for business purposes if saving money is one of your goals.

Drive more safely: You may be eligible for a price break on your policy if you maintain a clean driving record for a specified period of time. A clean driving record generally means no accidents, moving violations, driving

convictions, etc., during that period. The best way to qualify for the applicable discount is to drive carefully and defensively at all times.

Buy a low-profile car: Cars are rated on a risk scale for auto insurance purposes. In general, sports cars and other high-performance, flashy vehicles are classified as higher risks because they are common targets for thieves and vandals, and because statistically, the people who own them tend to drive more aggressively. If you own such a vehicle, you will likely pay a higher premium than if you owned a 4-door sedan, minivan, station wagon, or other low-risk vehicle.

Move: If you live in a rural community with little crime and traffic congestion, your premium will generally be lower than if you live in an urban area where your car is more likely to be stolen, vandalized, or involved in an accident. Granted, you shouldn't move just to cut your auto insurance costs. However, this may be one of many factors in your decision if you're thinking about relocating from the country or suburbs to the city.

Keep your car in a garage: Cars parked in garages are less likely to be stolen, vandalized, or struck by other vehicles.

Have safety/antitheft devices installed: You may receive discounts on your insurance if your car is equipped with one or more of the following options: anti-lock brakes, automatic seat belts, and airbags. Similarly, antitheft devices such as car alarms and tracking systems (e.g., Lojack) may also get you a discount because they reduce the chances of your car being stolen or vandalized.

Inquire about multi-policy discounts: You may be eligible to receive a discount from the insurer if you buy more than one type of policy through that same company (e.g., auto and homeowner's). A discount may also apply to your auto insurance if you insure multiple cars under the same policy or with the same company.

Other discounts: Other discounts may be available if you meet certain criteria, so be sure to ask us about this very important topic when reviewing your policy with us.

REVIEWING OPTIONS & COST FACTORS

Auto Insurance Coverage Options

Auto insurance isn't a "should I or shouldn't I?" proposition. Most states have laws requiring you to purchase at least some minimum level of auto insurance, and lenders require it.

In reality, though, there is often a large gap between the insurance you're required to carry and what you should consider carrying. As you review your auto insurance needs it is advisable:

- that you have a broader scope of coverage (i.e., more types) than the state or lender mandates, and
- that your coverage limits in most areas of coverage exceed the required minimums.

The point is that you should ideally have an appropriate amount of auto insurance based on your unique needs and tolerance for risk and the possibility for financial loss.

Personal factors

Aside from finances, other personal considerations will enter the picture as well. Such factors as your location, how much driving you do, the way you drive (i.e., aggressively or defensively), and the size of your assets should all play a part in determining the range and amount of coverage you need. You should try to tailor your coverage to your unique situation, but there are some general guidelines you can work with as well.

General guidelines

Since auto insurance coverage is typically broken down into component parts, each of which provides a different type of protection, it's best to look at each part individually.

Liability coverage

Liability coverage consists of two separate parts:

- bodily injury liability, which covers you for losses that result when you or certain other people injure or kill someone with your car; and
- property damage liability, which covers you for losses that result when you or certain other people damage someone else's property with your car. The bodily injury portion of this coverage is the most crucial aspect of your auto insurance. The reason: liability claims against you for medical bills, lost income, and pain and suffering if you should ever seriously injure someone in an accident can easily mount to hundreds of thousands of dollars. This is one area where you definitely don't want to be underinsured. Property damage claims can also be huge, especially if you were to ever cause severe damage to someone else's expensive, brand-new car. Among other things, you could also strike and damage a power pole, resulting in losses to the companies (phone, electric, etc.) serviced by that pole.

In most states, the required minimum liability coverage doesn't come close to covering the costs associated with a serious accident. That means if you took to the road with the minimums, you could expect to pay the majority of the claim out of your own pocket if you're sued. This is particularly dangerous if you have a home and other large assets worth protecting. Consequently, it may be advisable to carry both bodily injury and property damage liability coverages well beyond state minimums.

Medical payments coverage

If you or your family members are involved in an accident, whether in your insured car or in someone else's insured car, medical payments coverage will pay medical expenses incurred as a result of the accident. Your non-family passengers may also qualify for this coverage if they're injured in your car.

Since the other driver's insurance should cover these costs if he or she is at fault (and has proper levels of insurance themselves), medical payments coverage comes into play when the accident is your fault. If you have extensive health insurance coverage for yourself and your family, you might think that medical payments coverage is redundant and unnecessary. Be aware, though, that your health insurance won't cover passengers who aren't related to you if they're hurt in an accident in your car. Medical payments coverage often will.

Uninsured/underinsured motorist coverage

This provides coverage for losses you and others suffer as a result of an accident that is the fault of another driver who either doesn't have adequate auto insurance, or has no insurance at all.

In no-fault states, this type of coverage may not be essential because your auto insurance will have to cover your losses even if the other driver was at fault. In other states, however, this coverage is very important. If you were in an accident caused by a driver who had no insurance and no assets to compensate you, you might have no recourse. Uninsured/underinsured motorist coverage ensures that your insurance company will cover whatever expenses the driver can't meet through insurance and other resources. It may also cover your losses if you're hurt by an unidentified hit-and-run driver.

The number of uninsured, underinsured, and hit-and-run motorists on the road makes this coverage extremely important. Although the cost of this coverage is generally low, it often pays only for losses arising from bodily injuries, and not for property damage.

Collision/comprehensive coverage

Collision and comprehensive are actually two separate types of coverage. Collision covers you for losses you suffer when your vehicle is damaged in an at-fault collision with another vehicle or other object.

Comprehensive covers you for losses suffered when your vehicle is damaged by fire, vandalism, flood, and a variety of other events.

In virtually every state, both are optional coverages that you can purchase for an additional premium. So should you buy them or not? In general, the answer is yes. If you don't buy them and your vehicle is damaged, you will have to pay for the vehicle's repair or replacement out of your own pocket (unless the accident was caused by another driver). Keep in mind; however, both types of coverage are subject to deductibles. They also generally only cover you up to the actual cash value of your vehicle. For this reason, it is generally not cost effective to have collision and comprehensive on much older, virtually valueless vehicles. With more expensive vehicles, the need for these coverages is much greater. You will have to weigh the cost against the potential benefits. Bottom line: if you drop your damage protection coverage, you could be responsible for the entire cost of repairing or replacing your vehicle and for this reason we do not recommend it.

Endorsements

Endorsements are optional provisions you can add to your auto insurance policy for an extra premium, to expand your coverage. Typical endorsements include coverage for items such as towing and labor, car rental costs, extraordinary medical expenses, and certain recreational vehicles. The number and type of endorsements will determine the size of your premium increase. Endorsements are not necessary in most cases, but may be highly advantageous if your situation, needs and lifestyle necessitate them.

Do I Have Enough?

Do I Have Enough Auto Insurance?

Here's a piece of advice to consider when you buy auto insurance: Ask a lot of questions. Auto insurance often seems fraught with weighty terminology. If you're unclear about the difference between comprehensive and collision, don't fret; you're not alone. It's smart to ask us to explain the differences, much as you might ask your doctor to demystify medical terms.

Auto insurance blends several types of coverage into one policy. Typically, your policy will include some combination of comprehensive, collision, medical, liability and uninsured motorist coverage. Throw in the deductible amount, the vehicle's value and personal data such as your age to arrive at the policy's cost. Reduce the coverage amounts or raise the deductible and the cost of the policy goes down.

So what do you need? It depends on, well, your needs.

Liability:

- Pays for the damage you cause to others if your car is involved in an accident. It also protects you from being cleaned out if you are sued following an accident.
- The greater your assets, the more you stand to lose.
- If you have substantial financial resources, you may need liability coverage that exceeds the coverage that you'll get from an auto insurance policy.
- In that case, our personal umbrella policies can provide the extra liability protection you need.

Collision:

- Covers damage to your car in an accident, should reflect the value of your vehicle.
- We can help you find the balance between the cost of collision insurance and the value of your car.
- It might not be worth paying \$200 a year for collision insurance on a car that's worth only \$1,000.
- But if the car is worth a bit more, you probably want this coverage.

Comprehensive:

- Comprehensive coverage pays for your car if it is stolen, vandalized or damaged in some way other than in a collision.

Medical:

- Provides for medical expenses to you and your passengers that are the result of an accident.
- The way you use your car may make a difference in the amount of medical coverage you need.
- For example, we might suggest more coverage for a parent who regularly takes a carload of kids to soccer practice than for a driver who expects to drive mostly solo.

Uninsured Motorist:

- Pays when you're in a wreck with someone who has no insurance. This last type of coverage is essential.

Gap Coverage

•A type of insurance coverage that covers the difference between the payoff of a leased vehicle and the amount covered by other insurance coverage, when a vehicle is damaged or stolen during the term of the lease. Most gap coverage requires that the lessee not be in default under the terms of the lease. True protection comes from understanding your unique situation, and applying coverage accordingly. Consider these factors as you speak with us. Once you understand the language, you'll be able to apply the best policy for your needs, and maybe even impress your friends with your mastery of the lingo.

How Much Should Auto Insurance Cost?

It's a question we hear almost every day. How much you pay for car insurance depends on many factors: where you live, your age, what sort of car you drive, your driving record. But you can reduce the cost of insuring your car in several ways.

First, take into account the price of insurance when choosing a vehicle.

- More expensive cars cost more to repair, maintain and insure.
- Performance cars cost more to insure than family sedans, a lot more.
- Safer cars may also insure for less.
- We offer discounts for vehicles with anti-lock brakes on all four wheels.
- Insure all your cars with one company. Multi-car discounts can be substantial.
- Consider increasing your deductible. By raising the amount you pay out-of-pocket for losses, you can save 20 percent or more on your auto policy.
- Also consider reducing collision insurance if you're driving a vehicle that's more than eight years old.

Try to weed out overlapping insurance. For example, if you have an excellent medical and disability plan at work, you might wish to reduce medical or personal injury coverage on your auto policy, and save the difference. Ask us to explain the trade-offs.

And drive safely. A clean driving record can help lower your insurance rates through safe-driver discounts.

- We also offer discounts for low-mileage drivers,
- Car-poolers,
- Good students and
- Seniors who take drivers' refresher courses.

The price you pay is also influenced by how you pay. Ask us about your various payment options!

OTHER CONSIDERATIONS & NEEDS

Insurance for Motorcycles

Buying motorcycle insurance is very similar to buying automobile insurance. Typically, you will need the following coverage:

- Liability insurance to cover you for bodily injury or property damage resulting from an accident with your motorcycle. Be sure to ask us whether your policy covers injuries to your passengers. Some states require it, while others don't. Also ask us about the amount of coverage you think you'll need. Some states have a minimum required level of coverage, but you may need more to protect you and your assets from the risk of financial loss.
- Collision insurance to cover you for the value of damage to your bike, after deductibles, which result from an accident. If you are making monthly payments for your motorcycle, your lender will require collision coverage.
- Comprehensive insurance to cover you for loss due to fire, theft, vandalism, and other events not resulting from an accident. Comprehensive coverage also carries a deductible.
- Uninsured motorist coverage to pay your medical bills and other damages if a driver without insurance hits you. It may also cover damage to your bike. Be sure check with us to see if property damage is included in your uninsured motorist coverage. If it doesn't, you can purchase it separately.
- Underinsured motorist coverage to pay your medical bills and other damages, if you are hit by a driver with minimal insurance coverage and your damages exceed the value of that driver's coverage. The underinsured motorist coverage will pick up any excess not covered by the underinsured driver's policy.

How to minimize motorcycle insurance costs

Perhaps the best ways to minimize motorcycle insurance costs is to maintain a safe driving record and try to attend a certified motorcycle safety class or if you have multiple vehicles covered under one policy you may be eligible for a multi-policy discount.

Eliminating collision and comprehensive coverage or increasing your deductibles will also lower your premiums (however, if there is a lien on the bike, you may not be permitted to do so). Special safety or antitheft equipment may also be a way to reduce your premiums. The number of miles you drive, the place where you store the bike, the size and style of the bike, the horsepower and age of the bike, may all affect your policy premiums as well.

If you are having difficulty with the price of motorcycle insurance, we invite you to discuss these issues with us. You may be able to make some changes to lower your premiums without taking on unacceptable additional risk.

Consider motorcycle insurance as a cost of ownership

If you are in the process of purchasing a motorcycle, it is always advisable to have looked into the availability and price of motorcycle insurance before you buy. It could be a factor in your decision making process.

Rental Cars

Insuring Your Rental Car

The best way to protect yourself when using a rental car is to purchase a regular automobile insurance policy that explicitly extends collision and comprehensive coverage to rental cars in any state or country. If you don't own a car and you rent on a regular basis, you might want to purchase a "non-owner" policy that will give you the same type of coverage. Unless you have an individual policy that explicitly extends coverage to rental cars, you should be cautious if you wish to avoid exposure to liability when renting a car.

Doesn't my credit card issuer automatically insure me when I rent a car?

Many major credit card companies commonly claim to provide you with insurance coverage when you use their card to rent an automobile. However, you should read the fine print or get written verification from the company, because the coverage provided by your credit card is not always full coverage.

Some cards only offer coverage if you rent your car from a particular agency. Some limit the days for which coverage is available. Some will only provide coverage for certain types and/or classes of cars. With some cards, the coverage is not automatic and you must enroll in a program to get coverage. Some cards that advertise automatic rental insurance really only reimburse you for the deductible that you would have to pay under your regular insurance policy. Still others may provide only collision and comprehensive coverage, leaving you exposed for personal injury or property damage to others.

This is not to say that all credit cards fail to provide the coverage you need when you rent a car. It merely illustrates that you shouldn't unknowingly rely on your credit card issuer to protect you. Carefully examine the terms of your credit card agreement, and then act accordingly.

What about coverage offered by the rental agency?

The insurance packages that you purchase from a rental car agency (typically called "loss damage waivers") may or may not provide the protection you need. In your rush to get out of the airport, you may not realize that the loss damage waiver you purchased insures the rental car against theft, but not the contents. That could be a big surprise if your laptop computer and expensive camera are stolen from the rental car along with your luggage, and the rental agency rejects your claim. (Check your homeowner's insurance policy in this case - you may be covered.) Similarly, you may discover that the loss damage waiver you purchased for liability only provides limited coverage. Further, many loss damage waivers exclude certain items and/or situations from coverage.

Again, this is not to say that rental car agencies are unable to provide you with the protection you need. It is merely to illustrate that you should read the fine print, or get verification from a rental agent in writing if you have any doubts.

What if I have a regular policy, but it isn't full coverage?

It is possible that you have insurance on your personal car, but you don't carry collision and comprehensive or sufficient liability coverage. It may not be necessary to call your agent and add all that additional coverage just so that you will be protected when you rent a car during your upcoming vacation. You can probably close the gaps in your coverage using loss damage waivers and coverage offered by your credit card insurer or rental car company. However, as discussed above, you need to be cautious. You want to be sure you are getting the coverage you need or expected to receive.

Other sources of coverage

If you have suffered a loss that isn't covered under your auto policy, don't forget to check your other insurance policies. For example, if personal property has been stolen from your rental car, it may be covered under your homeowners or renters policy. Similarly, certain medical policies may cover costs of injuries not covered under your regular automobile plan.

Towing Coverage

Towing and Labor coverage provides a large measure of additional security, if you add this option to your auto's policy. When you have this coverage the insurer will pay reasonable expenses incurred for:

- towing your car to the nearest place where necessary repairs can be made during regular business hours
- towing your car out if it is stuck on or next to a public street or highway
- mechanical labor up to one hour at the place of its breakdown

- change of a tire
- delivery of gasoline, oil or loaned battery, but typically not the cost of these items

Safety & Tips

Safety & Important Tips

What to Do In Case Of An Auto Accident

If you've ever been involved in an accident, you know how stressful it can be. Most people are flooded with a mix of emotions and worries. You'll be concerned about everyone's safety and anxious about your vehicle. You might be angry at the other driver. Then there's the fear about what impact the accident will have on your driving record and your insurance. All those things can make it hard to think clearly and respond properly. And if there are injuries, the stress can be amplified. But that's when a clear head and quick action are really crucial.

Here are some tips for getting through an accident with a minimum of hassle and headaches.

- After an accident, getting help for the injured is always the first priority.
- Regardless of the circumstances, report the accident to the police.
- Record the name, address and phone number of the other driver. Write down the make and license number of all vehicles involved. You'll want to get as much information as you can about the other driver's insurance agent, policy and insurance company.
- Don't forget to collect the names, addresses and phone numbers of passengers and witnesses. Since many cases end up with the parties blaming each other, third-party witnesses can be important. Don't hesitate to approach anyone who may have seen the crash.
- Be careful of what you say. Don't talk about fault; even casual remarks can be used in court.
- Notify your insurance agent immediately. The faster we get information, the faster we can act. Discuss the accident only with your agent and, of course, with the police.
- Examine the damage carefully. Take photos if possible, particularly if the accident occurred on private property, such as a parking lot.
- Without being overly suspicious, observe the other driver's actions. If the other driver later claims to have a serious injury, your observations could be important.
- Stay calm.

Remember, these incidents are the reason you have insurance in the first place. We realize no auto accident is ever minor when you're involved. We're here so you can relax a little, doing everything possible to ease your stress and provide you with peace of mind.

Safe Driving Tips

Paying Attention Will Save Your Life

- If someone else is in the car you should refrain from talking with your hands, and realize that you are doing something that could, in one instant, become life threatening. When speaking with someone else in your car don't feel as if you need to look at them when carrying on a conversation. Keep your eyes on the road, and save those social graces for the dinner table. ALWAYS PAY ATTENTION TO THE ROADWAY.
- Remember that cell phones and all other distractions increase your chances of having an accident. If you must use your cell phone while driving on a regular basis consider reducing your risk by purchasing a miniature headset or hands-free device at your local electronics store.
- The left lane of any interstate highway is for passing. Staying out of the left lane (and in one of the right lanes) when not passing, greatly reduces social stress on the highways which makes it safer for everyone.
- Always remember to buckle your seatbelt, even if the ride is just around the corner.

- Keep your children in proper restraint seats, or properly adjusted safety belts if they are older. (Using the phrase "OK everybody... buckle up!" works well before starting the car.)•Keep your rear view, and side mirrors adjusted for maximum visibility.
- If you wish to be seen more easily in daily traffic consider using your headlights during the daytime as well as at night, and always remember to use your headlights when traveling on 2-Lane highways regardless of the time of day.

Driving Around Trucks & Busses: (Sharing the road with confidence)

- When passing trucks and busses, always do so quickly. When you are approaching these vehicles from the rear always judge your passing speed and don't begin the passing process only to find yourself stuck behind another vehicle... trapped beside the truck or bus. Always wait to let the vehicle in front of you complete their pass before beginning yours.
- Be aware that most large commercial vehicles these days have 500 horsepower or more, and are equipped with cruise control. Yet their companies have limited their top speed through their engines computer system to ensure safe driving & better insurance rates. If you notice one of these vehicles seems to keep creeping up on you then make a decision to speed up and pull away, or slow down and let them pass. (Chances are your just driving across town, and they are most likely nearing the end of a 600 mile drive... realizing this, will change your perspective and help you to make better decisions about what to do.)
- Trucks & Busses try to maintain a safe distance between themselves and the vehicle in front of them. Yet many automobile drivers commonly invade this "Safety Zone" to increase their position on the road. When passing a truck or bus always leave at least 50 feet (or 5 car lengths) of space between you and it before merging back into the lane.
- Never zoom around a truck or bus only to pull directly in front of them. Drivers that do this have no control over what might happen in front of them... placing their lives at risk, as well as the lives of others. The larger vehicle will never be able to stop in time should the car need to hit its' breaks.
- Remember that: If you can't see a truck or bus' rear view mirrors, then they cannot see you. Let this simple fact be a gauge as to how close behind them you should be. Always stay back far enough so that you can see their mirrors.
- Always be aware that busses carry lots of people, and at any given moment these people could be standing up or moving about the cabin. No one wants to do something that could possibly injure 10 to 50 people. Give busses, and their passengers, the courtesy they require.

On Ice or Snow

- It's always a good idea to head over to a large empty parking lot in your neighborhood (i.e. mall or superstore parking lot) when the season's first snowfall hits. The reason for this is to give you a little time to re-acquaint yourself with your winter driving abilities in an empty parking lot, and the feel of your car on the slippery road.
- Bridges and overpasses freeze first. Slow down and avoid sudden changes in speed or direction.
- Keep windows clear of snow and ice.
- Keep your speed steady and slow -- but not too slow. In deeper snow, it's often necessary to use the car's momentum to keep moving.
- Use brakes very cautiously. Abrupt braking can cause brake lock-up, which causes you to lose steering control.
- Antilock brakes are designed to overcome a loss of steering control on wet or slippery roads. Yet they have little or no effect on ice. To make antilock brakes work correctly, or work at all, you should apply constant, firm pressure to the pedal. During an emergency stop, try to push the brake pedal all the way to the floor.

There is an old saying... "If the roads are wet, then drive like it's snowing. If the roads have snow, then drive like they're icy. If the roads are icy, then don't drive."

- If you get stuck in snow, straighten the wheels and accelerate slowly. Avoid spinning the tires, because the heat friction caused by spinning tires melts the snow and creates a thin layer of ice. Use sand or cinders under

the drive wheels to increase traction if you get a little stuck. Never stand in traffic to push a car that's stuck. Someone else could lose control and seriously injure or even kill you

In High Winds

- Use extra care and consider if a trailer, van or other "high-profile" vehicle should be operated at all.

When it Rains

- The road becomes slippery as water mixes with road oils, grease and dirt. Also, your car's tires tend to ride on the surface water, reducing traction... Slow down.
- Visibility is often impaired. Turn on your head lights at the first sign of rain. Use the defroster or air conditioner to keep windows and mirrors clear.

When It's Foggy

- Stay to the right of the roadway.
 - Turn on your headlights -- day or night -- to low beam.
 - If fog thickens -- run your hazard flashers to aid others coming up from behind you, increasing the ability for others to see you better.
 - If your having difficulty seeing the road's edge, pull off at the next exit -- well out of the traffic lane -- turn on the emergency flashers and leave your headlights on, and vehicle running.
- In Severe Weather
- High Winds--use extra care and consider if a trailer, van or other "high-profile" vehicle should be operated at all.
 - Hailstorms--find shelter by driving under an overpass or bridge.
 - Severe thunderstorms--listen to your car radio and be alert. If you spot a tornado, don't try to outrun it. Get out of the car, find shelter in a ditch or low-lying area and lie face down to protect yourself from flying debris.
 - Hurricanes--avoid low areas and move inland while there's still plenty of time.

This information highlights examples of safety precautions you can consider to help protect yourself, others, and your personal property. This list is not meant to be all encompassing. Moreover, a particular precaution may not be effective in all circumstances.

Understanding Windshield Repair

Should You Repair It or Replace It?

WHACK! A rock just bounced off your windshield, leaving a dime-sized chip right in front of your nose. Not only does it obstruct your view, but if it's like other rock chips you've received, it'll soon sprout cracks that spread like wildfire.

There was a time when a chip or crack in your windshield meant certain replacement. That's no longer the case. Modern technology makes it possible to repair windshields that would have previously been scrapped. Not only does this save your windshield, it also saves you money.

But be aware that even the most advanced glass repair techniques have their limits. So if your windshield is severely damaged, new glass may still be in your future.

Do I have to replace my windshield or can it be repaired?

Windshield repair or replacement depends on the size, location and severity of the damage. The majority of windshield repair shops can repair quarter-sized rock chips and cracks up to three inches long. Anything bigger and most places will recommend replacement.

However, some facilities use a special technique that allows them to repair cracks up to 12 inches long. So it pays to check around before committing to a new windshield.

Location of the damage also plays an important role in determining your windshield's fate. Cracks at the edge of the windshield tend to spread very quickly and can compromise the structural integrity of the glass. If they're caught in time, they can be repaired. But in most cases, it's usually advisable to replace the windshield.

Also be aware that some facilities may not repair a chip that appears directly in the driver's line of vision. Because the repair process leaves minor distortions in the glass, some shops prefer to replace the windshield rather than compromise the driver's vision.

Regardless of the size and location of a chip or crack, it's always advisable to have it repaired quickly. If you wait some time to repair it, dirt can work its way into the damaged area, affecting the effectiveness and clarity of the repair.

Finally, bear in mind that if your windshield took a big enough hit, it may simply be beyond saving. Major impacts (BIG objects) or accident damage go beyond what any repair facility can fix. In these severe cases, replacement is a must.

How much will this cost?

The cost to repair a windshield is pretty standard across the country. A recent survey of windshield repair facilities across the country found that costs are fairly consistent. Repairing a single rock chip costs around \$40-\$50 for the first chip, then usually \$10 extra for each additional chip.

The cost to repair most cracks is about the same. However, if the crack is longer than three inches, it may require special treatment. Long-crack specialists typically charges about \$70 to repair a six- to twelve-inch windshield crack.

Windshield replacement costs considerably more and varies greatly depending on the vehicle. In addition to the cost of the windshield itself, a windshield molding kit and installation labor must be factored into the overall replacement cost.

The difference in cost between a dealer price and an independent glass shop is usually due to the actual glass used. Dealers often charge more because they're using an Original Equipment Manufacturer (OEM) windshield, which is exactly the same as the one that originally came with the car.

Meanwhile, local automotive glass shops typically use windshields from non-OEM suppliers. This glass is usually less expensive, but offers quality, safety and clarity similar to the more-expensive OEM windshield. Non-OEM glass is required to meet or exceed the same safety standards as OEM glass.

However, all the glass shops surveyed strongly advised that only OEM-recommended sealers and adhesives be used during windshield replacement. Use of inferior quality urethane could result in the windshield leaking or even becoming dislodged in an accident.

Where do I get the work done?

When it comes to repairing or replacing your windshield, you have a number of possible options. It all depends on your specific needs.

- Automotive glass specialist. These facilities specialize in the repair and replacement of automotive glass. This includes not only windshields, but also side and rear windows. Most usually attempt to repair a windshield before recommending replacement.
- Windshield repair facility. These independent and nationally franchised shops usually specialize in windshield repairs only. They fix chips and cracks, but do not install new windshields.

- New car dealer. Your local dealer can replace your windshield with an original equipment manufacturer (OEM) windshield. Many dealers sub-contract to mobile glass services, which come to the dealership and replace windshields on-site. Sometimes non-OEM windshields are also available through dealers.
- Mobile glass repair and replacement service. Rather than go somewhere to have work performed on your car, these services come to you and repair or replace your windshield wherever your car is located, at home, or even at work.
- General glass service. In addition to replacing automotive glass, these facilities also handle sales and installation of commercial and residential glass.

The windshield services listed above can be found in your Yellow Pages under Glass/Auto or Windshield Repair.

Is this covered by my insurance?

Windshields are covered by all of our automotive insurance companies. But because the cost to replace a windshield is so much higher than repairing it (four to ten times higher), coverage is handled differently for replacement vs. repair.

If you're replacing a windshield, your insurance company will ask you to pay your deductible and they'll pay for the complete replacement.

However, if you're repairing the windshield, the deal is a little sweeter. Having recognized that it's more economical to repair a windshield than replace it, our insurance companies may waive your deductible and pay for the entire repair.

This arrangement encourages customers to repair their windshields rather than replace them every time they're chipped. It also represents a substantial savings to both you and your insurance company over the lifetime of your policy.

On the other hand, if your windshield is in genuine need of replacement we don't skimp, and replace it. A heavily damaged windshield is not only difficult to look through, it's also unsafe. The structural integrity may have been compromised and could weaken further if it isn't replaced quickly. Have a qualified glass specialist carefully examine your windshield to determine whether a repair will suffice or if it should indeed be replaced. Also remember to check with us to confirm the terms of your coverage before committing to any windshield work.

How does windshield repair work?

Windshield repair involves injection of a special resin into the damaged area using a tool that attaches directly to the glass. Once injected, this resin is then cured and polished to restore the clarity and strength to the glass.

When a chip or crack occurs, it often spreads into the windshield's inner layer of plastic, which is sandwiched between two layers of glass. In some instances, a drill is used to make a clean passageway to the plastic, where the resin is injected to repair the damage.

Think of a windshield repair as first-aid that prevents the damage from getting worse. In some cases, it may look nearly perfect, while in others, it could still appear slightly blemished. But in either case, a proper repair prevents the damage from spreading.

And since every chip is unique, some will respond more effectively to repair than others.

Child Safety

Child Seat Safety

Parents may feel that by buying a child seat and putting it in a car that their child is safe, but in reality there's a lot more to it than that.

A federal government study reported 80 percent of child safety seats are not used properly. National Safe Kids, which checked more than 17,000 child safety seats at nationwide checkups, said it found the figure to be closer to 85 percent.

Common child seat mistakes

A government study found the biggest problem with child seats was improper use of locking clips. Follow instructions that come with the child seat, as well as those that come with your vehicle, to see if you need to use the clips and that you're using them correctly.

NHTSA (National Highway Traffic & Safety Administration) also found that more than half of child seats had harness retainer clips that weren't used correctly. Again, follow instructions that accompany the child seat. In general, harness retainer clips should be placed at the level of your child's armpits, according to National Safe Kids.

More mistakes

Ranking third in the NHTSA study of problems was use of harness straps. They should not be loose. According to National Safe Kids, you shouldn't be able to fit more than one of your fingers between a harness strap and your child's collarbone.

In addition, the harness straps should not be twisted. And make sure they're routed correctly through the proper slots on the seat.

Another problem cited by NHTSA was use of the vehicle safety belts. The owner's manual for your vehicle details proper seat belt use. Be sure the belt used with the child seat is firmly locked in its connection, routed correctly with the child seat and holds the seat firmly in place. You should not be able to wiggle the child seat from side to side or pull it forward.

Further down in the list of problems, but still accounting for ten percent of the child seat mistakes reported by NHTSA is positioning of a child seat in the wrong direction inside the car. Rear-facing child seats should only be positioned to face rearward; forward-facing seats should only face forward.

In addition, National Safe Kids notes you should be sure to keep a rear-facing child seat reclined at a 45-degree angle, so it cradles the baby's head.

Consequences of improper child seat use

Some child seat mistakes clearly are dangerous. For example, positioning a child seat the wrong way inside a car or putting a child seat of any sort in front of an active frontal airbag.

But studies haven't yet pinpointed how dangerous some of the other child seat misuses are, things like not using a locking clip correctly or not having the child seat secured as tightly as it could be with the vehicle safety belt. Because we don't know, as a society, which of these problems will be life-threatening, it's important that we make an effort to learn proper child seat use.

Lots to learn

It's not that parents and caregivers aren't paying attention or don't care. They're dealing with more complicated child seats today. Many child seats have recalls, too, that often can go unnoticed by child seat

owners. One source for recall and other child seat information is the Internet; many private organizations as well as government agencies have Web pages to help parents wade through the daunting amount of data in circulation.

Below are a few of the important Internet sites dedicated to promoting child safety in automobiles via child seats. Packed with press releases, recalls, safety news and more, these sites are great places to begin gathering information about providing the children in your charge with the safest ride possible.

National Highway Traffic Safety Administration

This site includes links to the new Federal Motor Vehicle Safety Standards for child seats, a form for reporting problems with a safety seat, a list of safety training programs, and even a state-by-state list of individuals who have attended the programs and may be of help.

National SAFE KIDS Campaign

The National SAFE KIDS Campaign is the first and only national organization dedicated to the prevention of unintentional childhood injury: the number-one killer of children ages 14 and under. The site is the home of the SAFE KIDS BUCKLE UP, a national campaign to increase awareness about child seat safety. This site is updated frequently and includes a calendar of Car Seat Check Up events around the U.S.

National Safety Council

This site contains a wealth of information on child seats, child safety, and safety in general.

Safety falls off as children age

Efforts by child safety advocates seem to be working to get the nation's youngest children into child seats. But statistics show that use of proper restraints declines as a child ages. And you'd be surprised to learn how few laws govern auto safety for children once they leave child safety seats? or how much the laws vary from state to state.

According to a NHTSA phone survey of U.S. parents, 96 percent of newborns travel in child seats all the time, but by age 3, the figure is down to 75 percent. By age 5, just 17 percent of children are in child seats all the time, the survey indicated.

Still, child seats, be they for newborns, toddlers or older children, continue to be the most effective way to protect a child in a vehicle crash. And it almost goes without saying that once a youngster is out of child seats, he or she should always wear seat belts and sit in the back seat, where it is much safer. One of the main problems is keeping kids buckled up as they get older.

- Be aware of recalls
- Register your child seat: Note that manufacturers of child seats provide a registration form with their child seats built as of March 1993. By completing and returning the form, typically soon after purchase, a buyer provides contact information for the manufacturer to use in the event of a recall. Manufacturers also have agreed to maintain names and addresses of child seat purchasers that they had in their files from before March 1993.

Other ways to stay in touch:

In case you missed out on those registration opportunities, NHTSA's Web site also provides a child seat safety registration form you can fill out and submit to NHTSA that allows the agency to provide your contact information to the seat manufacturer.

NHTSA maintains a toll-free number for further questions. 1-800-424-9393.

And don't hesitate to inform NHTSA if you have noticed a problem with your child seats. The Web site includes a child seat questionnaire form where you can report defec

How to Help Both You & Your Teen Driver

Creating Guidelines for Your Teen Driver

Many teens pass their driving test around their sixteenth birthday. Although it's the legal age to receive a driver's license in many states, it is not a magic number which means teens are experienced behind the wheel. Only you can decide when your teen is ready to drive without adult supervision.

After they have a license, teens are still gaining experience as new drivers. While they're learning, you can help keep them safe by setting rules about when, where, how and with whom they may drive.

- **Put a limit on the number of passengers in the car.**

Teens are likely to have more trouble focusing on the road with laughter, music, food and other distractions, all of which increase with the number of passengers.

- **Establish and enforce a house curfew.**

Check with your local police department to see if your town has a curfew for minors. If not, set your own.

- **Insist that your teen and his or her passengers always use safety belts.**

Teens tend to use their safety belts less often than other drivers. Remind teens that the presence of air bags does not mean they can ignore safety belts. These two safety devices are meant to work together to reduce injuries and fatalities.

- **Limit or supervise your teen's driving during times of high risk.**

The highest numbers of driving crashes occur on Friday and Saturday night and early Saturday and Sunday morning.

- **Set driving area limits.**

If your teen wants to travel outside your geographic area, require that he or she request special permission.

- **Prohibit driving or riding with others under the influence of drugs or alcohol.**

Driving while under the influence of drugs and alcohol are life threatening issues as well as being illegal. In addition to the possibility of legal punishment, tell your teen you will revoke driving privileges for a given amount of time if found to be driving or riding with others under the influence. We recommend discussing and signing a Safe Driving Contract with your teen as a way to create a mutual understanding between both you and them.

Insuring a New Driver

When your new driver is named on an existing auto insurance policy or obtains his or her own insurance, the company providing the coverage is assuming an additional risk. In order to cover that new risk, there is an additional cost for insuring the young driver.

To determine the appropriate cost of providing coverage to each insured, insurance industry professionals use something called rating factors. Because inexperienced drivers drive differently than experienced drivers, being new to the road is a rating factor. Examples of other rating factors include:

- Gender
- Make/Model/Year of car
- Miles driven
- Driving record (tickets and accidents)
- Driving experience

Don't worry - teens will naturally gain the confidence and judgment they need as drivers as they gain experience over time. Until they reach that level, though, there are things you and your teen can do to help maintain their auto insurance rates.

Help keep auto insurance rates as low as possible:

- Keep a clean driving record.

- Drive safe cars that are affordable to insure.
- Consider raising deductible limits.
- If appropriate to your situation, drop coverages such as collision coverage for older cars with relatively low cash values.

Parents: Tips for Driving with Your Teen

Supervised practice over an extended period of time makes teens better, safer drivers. That's why it's important for you to spend time in the car with your teen behind the wheel. Give your teen opportunities to practice what he or she may have learned in Driver Education, and encourage him or her to develop safe habits and skills. Patient practice, as well as following the same rules when you're behind the wheel, will help your teen learn the do's and don'ts of the road. Rule #1 for parents: set a good example.

While your teen is driving:

- Give simple and clear directions, such as "brake," "slow," and "cover" (lightly cover the brake with your foot, in preparation to stop).
- Use a calm tone of voice.
- Watch your teen's arms - if they are not relaxed, the situation may be too hard for your teen to handle, or he or she may be experiencing levels of anxiety or fatigue.

If your teen does something incorrectly:

- Ask him or her to safely move the car off the road and then discuss the mistake calmly.
- Plan routes that allow your teen to practice different skills. Driving to and from the same grocery store every week will not adequately prepare your teen to be a skilled, licensed driver.
- Take your teen out for driving practice under as many different conditions as possible. Safe drivers are experienced in responding to changing weather, visibility, traffic volume and speed.
- Encourage your teen to talk aloud about what he or she sees and plans to do while driving. This makes it much easier for you to know if your teen is observing and thinking ahead like a good driver.

After the practice session:

- Evaluate the session together. Give your teen a chance to point out his or her mistakes before you do.
- Praise your teen for what he or she did correctly and also mention how your teen can improve.
- Record your session in a self imposed Driving Log.

Parents: Set a Good Example

Your teen is much more likely to be a calm and courteous driver, use a safety belt, and obey the speed limit, if you do it first.

Provide a safe motor vehicle for practice sessions.

If your car needs a tune-up, take your teen along for a lesson in car maintenance. Now is the time to talk about the costs of maintaining and insuring a car, and if your teen needs to contribute.

Work with your teen's Driver Education Instructor.

Ask for a copy of the Driver Education curriculum. Find out how your teen is performing in class and which skills he or she needs to work on.

Take your teen to get a license only when YOU feel the time is right.

You must take responsibility for making this decision - - your teen's life depends on it.

Share your insurance costs.

Research shows that teens who pay for a portion of the maintenance and insurance of the family car as they learn how to drive are more likely to be safe drivers.

Safe Driving Contract

Teen Driver

I promise not to drive under the influence of alcohol or drugs, nor will I get in a car where the driver has had alcohol to drink or has used drugs. If I am ever in a situation where I need a ride home for my safety, I will call a cab, ask a designated driver to drive me, or call you or another family member to come and get me.

Signature of Teen Driver

Parent(s)/Guardian(s)

I promise to pick you up if you ever call me for a ride. If I do not have a car, I will pay for a cab to bring you home. I further promise not to start a conversation about the incident at that time. I also agree to use safe driving practices, not to drive under the influence of drugs or alcohol myself, and find an alternate means home if I am ever in a situation where the driver is under the influence of alcohol or drugs.

Signature of Parent(s)/Guardian(s)

Defensive Driving WORKS!

The Collision Prevention Formula:

- Recognize the hazards:** Continuously scan the road ahead and behind checking your mirror every 3 to 5 seconds.
- Understand the defense:** Continuously scan the road for possible hazards. Play the "what if" game by thinking "what if" the driver in front of me stops suddenly? "What if" someone runs a red light at the next intersection? "What if" that driver in the oncoming lane...
- Act correctly in time:** Think ahead, try to anticipate what other drivers around you might do, avoid hazardous or dangerous situations before it's too late.

Help avoid collisions through proper vehicle maintenance. Remember, from clean windows to properly adjusted mirrors to regular engine servicing and much more, you can be held responsible for the little, as well as the big defects in your car.

Know, Show, Slow, Go

Know the rules for intersections and know which way you plan on going before you arrive at the intersection. Show your intentions with signals and proper lane position before entering it. Slow down as you approach the intersection, have your foot over the break. Go only after you've checked to make sure the coast is clear. Don't assume that the other driver knows what to do at the intersection or that the driver will follow the rules.

The weight of your car is the major determining factor in how long it takes you to stop. The heavier the car, the longer it takes to stop. On average, at 65 miles per hour it will take you the length of a football field to stop -- that's completely stop -- your car. Remember, automatic braking systems (ABS) only help to stop without swerving in a skid stop, not in a shorter distance.

The Two Second Rule

Follow the Two Second Rule. Watch the vehicle ahead of you pass a fixed object or point, like a pole or mile marker. Begin counting: "One thousand and one, one thousand and two." If your car reaches that marker before you finish counting, you are following too closely. Ease up and check again.

In adverse conditions, use The Two Second Plus Rule: add one second following distance for each adverse condition. Adverse conditions include:

- Driving at night, in fog, rain or snow. (Plus 1)
- Driving behind a truck or vehicle making it difficult for you to see ahead. (Plus 1)
- Driving behind a motor cycle. (Plus 1)
- Driving through an intersection. (Plus 1)If you can't see a truck driver in the truck's side mirror, then that driver can't see you or your car -- you're in the vehicle's blind spot and should pull out of it as soon as it is possible and safe.

Practice the 4 Rs

Head-on collisions are the most violent type of auto accident. Practice the 4 Rs:

- Read the road ahead.
- Reduce your speed.
- Drive to the Right.
- Ride off the road if necessary.

A driver who's coming head-on toward you in your lane may "wake-up" and realize they've crossed into your lane, and then correct their error by heading to your left, or back into their proper lane. So, drive RIGHT and off the road if necessary. Don't swerve left.

This information includes material from the National Safety Council's Defensive Driving Course and their annual publication Accident Facts. This information highlights examples of safety precautions you can consider to help protect yourself, others, and your personal property. This list is not meant to be all encompassing. Moreover, a particular precaution may not be effective in all circumstances.

CLAIMS & ACCIDENTS

Filing an Insurance Claim

You've just had an accident. It may be a minor fender bender or a more serious collision resulting in injuries or extensive damage to one or more cars. Perhaps another motorist was clearly to blame. Regardless of the severity of the accident or who was at fault, there are a number of basic steps you'll need to follow once the initial turmoil subsides. You need to be aware of procedures to file the claim. This can sometimes seem like a complicated and stressful process yet the more you know, the smoother it will be and the greater your chances of being happy with the outcome.

Report the accident immediately

The first thing you should do is to promptly contact your insurance agent and the insurance company to notify them that you've been in an accident. Do this as soon as possible, even if you're far from home.

You should always notify your insurance company of the accident even if it was minor and not your fault. The insurer should always be informed, regardless of the circumstances. Secondly, always have the police come to the scene and file a report. Letting the other person involved in the accident talk you out of your privilege to file the incident with the police is never a good idea.

Find out how to proceed

Ask us or the insurance company claims representative what you need to do, and what forms or documents you need to support your claim. The insurer may require a "proof of loss" form, as well as medical and auto repair bills, a copy of the police report, and other documents relating to your claim. Supply all the materials and information your insurer needs, and do it in a timely manner because this helps to put the claims process in "high-gear".

Read your policy

Although your auto policy isn't exactly a leisurely Saturday read, the days immediately following an accident are probably a good time to look it over. Knowing exactly what your policy covers can help prevent surprises later on.

Keep records of your expenses and other paperwork

Potential out-of-pocket expenses might include medical and hospital bills, car repair bills, rental car costs, and lost wages. Since you will probably need receipts in order to be reimbursed, it's wise to keep copies of these and other important documents in a safe and organized location.

Don't forget your other insurance

Don't forget that other types of insurance (e.g., health, homeowner's, etc.) may cover certain losses resulting from an auto accident, depending on the type of loss and other circumstances.

Accidents & Your Insurance Policy

How Much Will Your Auto Insurance Go Up After an Accident?

Well, it finally happened. You've been in a car accident. Fortunately, you have auto insurance to cover the damage, even though you may have been at fault. Now comes the big question: how much will your premiums go up as a result of this accident? If you weren't at fault, you'll be happy to know that your premium probably won't increase much, if at all. If you were at fault, the following information may help you to understand and anticipate the premium increase you might see.

Why does the premium go up?

Before considering how much your premium might go up, it's helpful to understand why an accident can cause your premium to increase. Very simply, actuarial tables indicate that people who have had at-fault accidents in the past are more likely to have them again. Insurance companies use this information to charge the premium that most accurately reflects your chances of having another accident in the future. People who are at greater risk for accidents should reasonably be expected to pay higher premiums. So if the rate does go up, it's nothing personal against you.

How is the premium increase determined?

In a nutshell, here are a few ways insurers commonly figure out the amount by which they'll raise a premium following an at-fault accident.

Percentage of base rate

Insurers typically follow the Insurance Services Office (ISO) standard of increasing your premium by 40 percent of their "base rate" after your first at-fault accident. A base rate is the average amount of all claims paid, plus the insurance company's processing fee. For example, if the insurer's base rate is \$400, your premium after the accident will go up by \$160. This means that if the premium was \$300 before the accident, it will be \$460 after the accident. Subsequent accidents would result in greater premium increases.

Percentage of your rate

Some insurers use a variation on this method. Instead of using a "base rate," they calculate the premium increase based on the premium you were paying before the accident occurred. Again, for the first at-fault accident, the increase would probably be 40 percent. Under this system, if the annual premium before the accident was \$300, it would go up to \$420 after the accident. Subsequent accidents would result in greater premium increases.

Safe Driver Insurance Plan

Both of the systems described above are based on the ISO's Safe Driver Insurance Plan, which is typically followed by insurers. The Safe Driver Insurance Plan lists different types of auto accidents and moving violations, and assigns a 'point' value (from 0 to 4) to each type based on the severity of the incident. These points are different than the points that the state department of motor vehicles charges against your driver's license to track your driving record. Under the Plan, as you accumulate points, you are assessed surcharges that generally result in higher insurance rates. The number of points charged determines a premium increase. For example, typically 3 points are charged if you're convicted of drunk driving, triggering a hefty increase. On the other hand, accidents that weren't your fault or for which you covered the losses out of your own pocket (i.e. deductible) generally don't result in any points. Such accidents usually won't make the premium go up at all.

Other factors

Other factors may also affect premium increases after an accident. These might include, among others, your location, your age, the kind of car you drive, and the "loss experience" of drivers similar to you (meaning total claims made by the group of similar individuals). Most of these factors are independent of the accident itself. The premium might also go up at renewal time if you buy a flashier car that's more expensive to insure in the same policy year that the accident appended.

These same factors can also work to your advantage in some cases. If you turn 40 during the same policy year as the accident, you enter the lowest-risk age group (between 40 and 55) and may be eligible for a discount that will help offset the premium increase caused by the accident. The same is true if you get married during the same policy year, since married persons are considered a lower risk factor.