

CONSUMER  
GUIDE TO **Auto  
Insurance**

Protect your vehicle



Why you need insurance  
Required and optional coverage  
What determines your rates  
How to read a policy  
Tips to lower your rates  
Worksheets for shopping  
What to do after an accident  
Filing a claim  
Repairing your vehicle



**DCI**

Missouri Department of Commerce & Insurance

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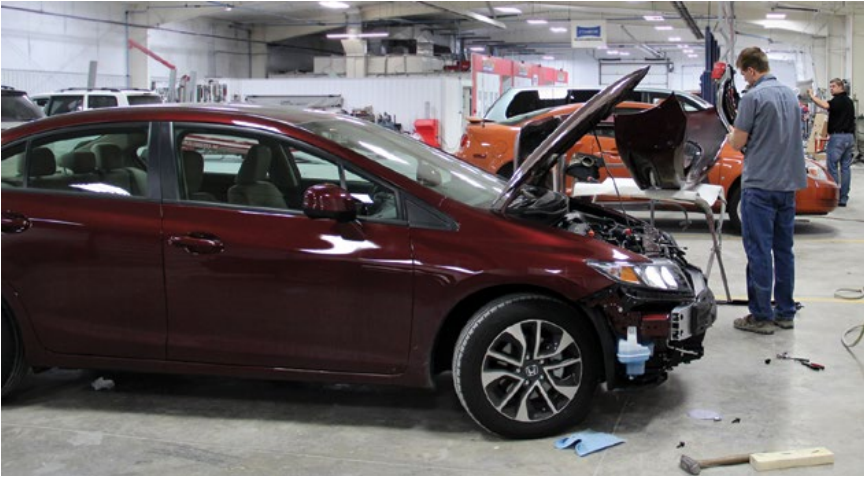
## **Need help? Contact us:**

800-726-7390  
[insurance.mo.gov](http://insurance.mo.gov)

or

Scan the  
QR code





## Auto insurance helps you handle the **what if ...**

- ▶ You are in an accident and injure someone?
- ▶ Your car is stolen?
- ▶ Another vehicle hits you and the driver doesn't have insurance?

Auto insurance protects you against the financial hardships of paying for injuries or property damage caused by an accident.

[insurance.mo.gov](https://www.insurance.mo.gov)



The Department of Insurance has online tools to help you:

- ▶ Search for companies that sell auto insurance.
- ▶ Review frequently asked questions about auto insurance.
- ▶ Search for a licensed agent or agency near you.
- ▶ Review consumer complaint history for insurance companies.

Can't find a company  
to insure **you?**



Drivers who can't find coverage may obtain it from the Missouri Automobile Insurance Plan. An insurance agent can give you information and rates, which may be higher.

# AUTO BASICS

## What's required

Missouri law requires vehicle owners and drivers to have two types of automobile insurance coverage:



### 1 LIABILITY

**Your fault:** Covers injuries and property damage to others caused by you.



### 2 UNINSURED MOTORIST

**Others' fault:** Covers injuries to you and passengers caused by an uninsured driver.

### Who's covered on my policy?

- ▶ People named in the policy.
- ▶ People with permission to drive the vehicle.

### What vehicles are covered?

- ▶ Vehicles listed on your policy.
- ▶ Vehicles you drive while yours is being repaired after an accident.

### What vehicles are **not** covered?

- ▶ Vehicles being used for business activities such as pizza delivery and lawn service.

## Keep insurance ID in car

You must keep proof of insurance in your vehicle at all times, or you may be issued a ticket. Failure to maintain proof of insurance could lead to a suspended license.



**Electronic proof:** Starting Aug. 28, 2013, Missouri drivers will be able to use their smartphones and other mobile devices to show proof of insurance.



# Financial responsibility

Every year thousands of Missourians are involved in accidents with uninsured drivers, resulting in unpaid damage claims and higher premium rates for everyone. It is estimated that 14 percent of Missouri drivers lack insurance although state law requires all vehicle drivers and owners to maintain a minimum amount of liability and uninsured motorist coverage:



## 1 LIABILITY

### Minimum amounts **25/50/10**

- ▶ \$25,000 for bodily injury per person
- ▶ \$50,000 for bodily injury per accident
- ▶ \$10,000 for property damage per accident



## 2 UNINSURED MOTORIST

### Minimum amounts

- ▶ \$25,000 for bodily injury per person
- ▶ \$50,000 for bodily injury per accident

## Why risk it? Consider higher limits

Having the minimum liability and uninsured motorist amounts mean lower premiums, but it may not be enough coverage. When considering the cost of replacing a new or used car, you may want to talk to your agent about increasing your limits. Consider this scenario:

It is raining and you brake as you approach a red stoplight. Your car slides, hitting a 2011 pickup. There are no injuries but it still hurts:

Cost to repair 2011 pickup	\$13,200
▶ What your insurance pays	- \$10,000
<b>Your out-of-pocket costs</b>	<b>\$3,200</b>

(Liability insurance does not cover repairs to your vehicle.)

## AVERAGE CAR COST IN U.S.

### NEW CAR

**\$30,000**

### USED CAR

**\$12,000**

# What's optional

Optional coverage can be included in your policy to increase your protection. Banks and other lenders may require you to buy collision and comprehensive coverage on your vehicle. Ask your agent if additional coverage is suitable for you:



### Collision

- Covers damage to your car from hitting an inanimate object, such as a tree, vehicle or house.

### Comprehensive

- Covers damage to your vehicle by theft, vandalism, hail, flood, fire or animals.

### Underinsured motorist

- Provides you protection when another driver doesn't have enough insurance.

### Medical payments

- Covers medical care up to specified limits for you and your passengers.

### Additional coverage

- Rental reimbursement, which pays for a rental while your car is being repaired.
- Roadside assistance.
- After-market installations, such as stereos and wheels, may need additional coverage.

### Force-placed coverage

If you finance or lease a vehicle and haven't bought collision and comprehensive coverage, your lender or lessor may "force place" collision and comprehensive insurance coverage to protect its investment in the car.

Although they place it, you still pay the premiums. And it probably will be more expensive than if you had bought it on your own.

### Renting a car for vacation?

You may not need to buy insurance from the car rental company. Check your policy to see if it covers rental cars.

# Determining your rate

Several factors such as age and gender determine your auto insurance rates. For example, an older, more experienced driver will have a lower rate than an inexperienced driver. Other factors that could lower or raise your insurance rates:

- Amount of coverage.
- Amount of deductible.
- Make, model, year of vehicle.
- Driving and claims record.
- How vehicle is used, miles driven each year.
- Credit history.
- Where you live.
- Multiple-car discount.
- Multiple policies with same company such as renters or homeowners insurance.
- Longtime customers.
- Anti-theft systems.
- Marital status.
- Number of drivers on policy.

## FOR HIGH SCHOOL STUDENTS

- Driver's education class.
- Grades.

### CAUSE AND EFFECT

Generally, these factors can lower or increase your rate:

▼ = Lower      ▲ = Increase

Rate	Factor
▼	Good credit
▼	No insurance claims
▼	Good grades
▲	Drive a lot
▲	Live in large city
▲	Low deductible

## Deductible paid first

You first must pay the deductible you chose for your collision or comprehensive coverage before the insurance company pays. Having a higher deductible may lower your insurance cost.

Collision deductible \$500  
Cost of repair \$6,000

<b>You pay</b>	<b>Insurance company pays</b>
<b>\$500</b>	<b>\$5,500</b>



If you don't receive a notice of renewal or nonrenewal a couple of weeks before your policy expires, contact your insurance company.

# AUTO BASICS

## Tips to lower your insurance rates

- ▶ Drive safely.
- ▶ Increase your deductible.
- ▶ Maintain good credit.
- ▶ Ask about vehicle-safety discounts.
- ▶ Ask about multiple-vehicle discounts.
- ▶ Pay premium in full.
- ▶ Use same company as home or renters insurance.
- ▶ Remove collision and comprehensive coverage on older vehicles.
- ▶ Ask about low-mileage discounts.
- ▶ Tell your agent about safety and anti-theft systems.

### FOR STUDENTS

- ▶ Get good grades.
- ▶ Take driver's education class.

### RATE-LOWERING AGES, MILESTONES

There are certain ages and events when your rates may decrease. Tell your agent when you:

TURN

21  
25

GET

MARRIED

### Pay promptly

There is no grace period for late premiums. One late payment could get your policy canceled.

### Your policy can be canceled

State law allows your insurance company to cancel your policy for any reason during the first 60 days.

After the first 60 days, the policy must stay in effect for the full term, except for:

- ▶ Non-payment of premium.
- ▶ Suspension or revocation of your driver's license.

Your insurance company may decide not to renew your policy when it expires. You must be notified in writing at least 30 days before the expiration date.



# Understanding your declarations page

This page provides policy details. Know how to read your declarations page to better understand your coverage.

**1 Policy period:** When coverage begins and ends

**2 Limits:** The most your policy will pay

**3 Deductible:** What you pay

**Your Insurance Company**  
 3535 Second St.  
 Company Town, USA 54321

**Policy number** XX-XXXXXX-XX **1**  
**Policy period:** **Effective date:** **Expiration date:**  
 6 months Aug. 1, 2013 Feb. 1, 2014

## Auto Insurance Policy <SAMPLE>

Year	Make	Model	Vehicle ID number (VIN)
2011	Chevrolet	Camaro	2FZMPONW34XB56094

**Lienholder**  
 The Bank 310 Main St., Company Town, USA, 54321

Coverages <b>2</b>	Policy limits
Liability: Bodily injury	\$100,000 per person \$300,000 per accident
Liability: Property damage	\$100,000 per accident
Uninsured motorist	\$100,000 per person \$300,000 per accident

Deductibles <b>3</b>	
Collision	\$500
Comprehensive	\$100

**Policy premium **5**** \$640

Optional coverage <b>4</b>	Limits
Underinsured motorist	\$100,000 per person \$300,000 per accident
Medical payments	\$1,000
Roadside assistance	\$100 per occurrence
Rental car reimbursement	\$30 per day \$1,000 maximum

Discounts applied <b>6</b>
Multiple vehicle
Home/Auto/Life
Mature driver
Claim record/Customer longevity
Air bags/Anti-lock brakes
Premium paid in full

Your policy consists of this page, any endorsements and the policy form. Keep together.

**4 Optional coverage:** Can be added for more protection

**5 Total premium:** Your cost for policy period

**6 Discounts:** Number of discounts applied to policy

# SHOP AROUND, COMPARE PRICES



## Target best policy price

Missouri has a highly competitive insurance market. Use this worksheet to compare offers as you shop.

Types of coverage			
<b>Fill in company name (above) &amp; cost (below) to compare policies</b>			
Bodily injury per person	\$	\$	\$
Bodily injury per accident	\$	\$	\$
Property damage per accident	\$	\$	\$
Uninsured motorist	\$	\$	\$
<b>Optional coverage (ask your agent)</b>			
Collision	\$	\$	\$
Comprehensive	\$	\$	\$
Underinsured motorist	\$	\$	\$
Medical payments	\$	\$	\$
Roadside assistance	\$	\$	\$
Rental reimbursement	\$	\$	\$
Accidental death and dismemberment	\$	\$	\$
<b>Policy premium</b>	\$	\$	\$
<b>Collision deductible</b>	\$	\$	\$
<b>Comprehensive deductible</b>	\$	\$	\$

# QUESTIONS TO ASK INSURANCE AGENT



**What are coverage limits? What are they used for?  
Is the 25/50/10 minimum coverage enough?**

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What am I responsible for if I cause an accident? \_\_\_\_\_

Do I need collision and comprehensive coverage? \_\_\_\_\_

What is my deductible for collision? \_\_\_\_\_ For comprehensive? \_\_\_\_\_

Do I need a police report if I'm in an accident? \_\_\_\_\_ What if the accident is in a private parking lot? \_\_\_\_\_

Will my coverage limits cover me and my passengers if I'm at fault? \_\_\_\_\_ What if the other driver is at fault? \_\_\_\_\_

How is the value of my vehicle determined if it's totaled? \_\_\_\_\_

Can I choose any body shop to repair my car? \_\_\_\_\_

How much will my premium be? \_\_\_\_\_ How much can I save by increasing my deductible? \_\_\_\_\_

What discounts are available? \_\_\_\_\_

How do I file a claim? \_\_\_\_\_

Does my policy include rental reimbursement? \_\_\_\_\_

# ACCIDENTS HAPPEN

## What to do

Missouri is a comparative-fault state, meaning anyone involved in an accident may be partially responsible for it. Your responsibility for damages is determined by the percentage you are at fault.

### What to do if you're in an accident

- ▶ Turn off your car. (A gas leak could cause a fire.)
- ▶ Call the police.
- ▶ Exchange this information with other driver and police if there is property damage or injuries: Name, address, driver's license and vehicle identification numbers, insurance company name and policy number.
- ▶ Be courteous; do not admit fault.
- ▶ Get witness contact information.
- ▶ Photograph the damage.
- ▶ Write down what happened.
- ▶ Call your agent or insurance company soon after the accident.
- ▶ If the police don't come, call and ask where to file an incident report.



Protect yourself and your property by downloading mobile accident checklist



Scan a QR code to download the **free** WreckCheck app for your smartphone. The free app walks you through the crucial steps to take if you're in an accident. You can download it from the Apple App Store or Google Play Store.



iPhone



Android



Always make sure it is safe before you get out of your car to inspect damage.

## To file or not to file a claim

Filing a claim may increase your insurance premiums, even if you don't collect anything. If you are in a one-car accident with no injuries or damage to other cars or property – and the damage to your car is about the same as your collision deductible – you may consider paying for the repairs yourself to avoid higher premiums in the future.

However if another driver or someone else's property is involved, or if you have a passenger, you should immediately notify your insurance company to protect yourself in case the other party files an insurance claim or lawsuit.

### Steps to filing a claim

- ▶ File your claim online or call your agent or company.
- ▶ Have your policy information ready when you call.
- ▶ Give details about the accident.
- ▶ If available, provide a police report or an incident number.
- ▶ Ask when your vehicle will be checked by an adjuster.

### If the accident involves an uninsured driver

Notify the police and your insurance company and report it to the Missouri Department of Revenue. Accident report forms are available from:

- ▶ The Department of Revenue at [dor.mo.gov](http://dor.mo.gov).
- ▶ Your insurance company.

### Claim types

There are two types of insurance claims:

- ▶ **First party:** When you make a claim on your policy.
- ▶ **Third party:** When you make a claim on someone else's insurance policy.

# ACCIDENTS HAPPEN

## Making repairs

When you file a claim, your insurance company will send an adjuster to examine the damage and determine the cost of the repairs.

### After-market parts allowed for repairs

Missouri law allows insurance companies to use after-market or used parts instead of original equipment manufacturer parts when estimating repairs on your car. However, all after-market or used parts must be identified on the repair estimate.



### Body shop: It's your choice

You can choose which auto body shop will repair your vehicle. However, if your insurance company has a lower estimate from another shop, you'll get paid that amount.

### Diminished value: Is your car worth less?

If your vehicle has been in an accident and repaired, it may not be worth its actual cash value when you sell or trade it. **Diminished value is the reduction in a car's resale value after it has been wrecked and repaired.**

State law does not require your insurance company to pay for diminished value. However, if someone crashes into your car and you make a claim on the other driver's policy, diminished value could be recovered, subject to approval by the other driver's insurance company.

**Example:** Your car will be worth \$1,000 less after it's repaired. The other driver's insurance company pays you the cost of repairs plus \$1,000. This extra payment compensates you for the diminished value of your car.



**Mitigation:** If you are in an accident, you are obligated to minimize expenses. For example, you can avoid storage fees a body shop may charge by keeping your car at home until an insurance claim is settled.

# Your vehicle's value

Your vehicle may seem priceless to you, but it's worth a certain amount when it comes to insurance. Your insurance company will determine if your car can be repaired or if it's a total loss.

## Vehicle's actual cash value: How it's determined

If your vehicle is a total loss, an insurance company must pay actual cash value (or fair market value), which is determined by:

- ▶ Surveying dealers in your area.
- ▶ Using industry guides, such as the National Automobile Dealers Association or Edmunds.
- ▶ Receiving information from groups such as CCC and ADP AutoSource.
- ▶ Whether the vehicle has a salvage title.



- ▶ The car's wear and tear and pre-existing damage.

**When disputing your company's offer, you must prove your vehicle is worth more.**



**Bumper stickers lower your vehicle's value. Ask your agent about other modifications that may reduce the value.**

### Contact us

For more information on other types of insurance, including:

- ▶ Home
- ▶ Renters
- ▶ Life
- ▶ Health
- ▶ Small business

**insurance.mo.gov**  
**800-726-7390**





If you have questions about your insurance policy or need to file a complaint or verify the license of an insurance company or agent, contact us:

**800-726-7390**  
**[insurance.mo.gov](http://insurance.mo.gov)**