A Consumer's Guide to Auto Insurance

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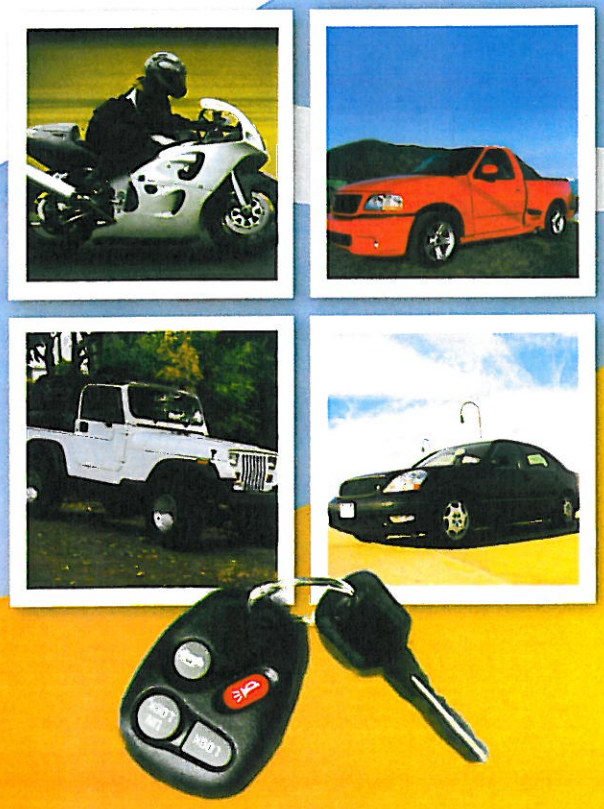

A Message *from* Our Office

Protecting and educating consumers is one of our top priorities. To get the best value for their money and to determine whether their insurance needs are met, consumers must become informed about their insurance options.

This brochure provides a brief overview of common automobile insurance coverages as well as important tips that may help you control your insurance costs.

If you have any questions, or need additional information about any type of insurance, please contact The West Virginia Offices of the Insurance Commissioner's Consumer Service Division toll-free at **1-888-TRY-WVIC** or **304-558-3386**, weekdays from 8 a.m. to 5 p.m.

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Shopping for Auto Insurance

Comparison shopping is the key to getting the most for your insurance dollar. There are more than 100 licensed auto insurance companies doing business in the State, so there are plenty of places to shop. Some basic tips to follow when shopping for insurance are as follows:

- Familiarize yourself with the types of coverage available and determine which would best meet your needs
- Determine your current insurance costs and coverages
- Ask friends and relatives for recommendations
- Use the Internet as a resource for insurance information
- Get quotes from several different companies
- Ask about optional deductibles
- Ask about available discounts
- Ask about available installment plans
- Seek additional information

What Factors May Impact Rates

In order to give you an accurate quote, an agent or company may request the following information:

- Information regarding your current insurance coverage such as limits and the status of your policy
- Questions about your driving record such as the occurrence of any accidents, moving violations, or how long you have been licensed
- Information regarding your vehicles such as the year, make, and model, and how they will be used
- Your age, sex, and marital status
- Whether there are any other drivers in the household
- Your address and work history
- Information pertaining to your use of credit to calculate an insurance score

Once your level of risk has been determined, the company will group you with other policyholders who have similar risk characteristics. The rate you pay with a particular company will depend on the experience of that risk group.

If You Cannot Find Coverage

Automobile liability insurance coverage is required under West Virginia law. Some insurance companies and independent agencies specialize in finding insurance companies that will accept nearly all drivers. Alternatively, West Virginia residents who have not been able to find insurance in the voluntary market can obtain coverage through the West Virginia Assigned Risk Plan. If you find that you are ineligible to obtain quotes for coverage, ask your agent about the plan.

Basic Overview of Coverage

State law requires all registered motor vehicle owners maintain certain minimum coverage levels. However, most drivers purchase more than the minimum requirements to protect themselves from lawsuits, medical expenses, and repair bills.

Automobile Liability Insurance: protects you when you are involved in an accident by paying on your behalf the amounts of damages that you are legally responsible for but only up to the dollar limit of coverage that you have purchased. When you have sufficient liability insurance, your personal assets (i.e. savings, investments, or equity in your home) will not be jeopardized to pay for claims or lawsuits filed by an injured person. There are two types of liability coverage that are required by State law as well as a requirement for Uninsured Motorists Coverage:

Bodily Injury Liability Insurance: pays for bodily injuries to other persons on your behalf including the costs of legal defense and settlement.
The minimum amount of bodily injury liability insurance required by State law is $20,000 for Bodily Injury Liability per person, and $40,000 Bodily Injury Liability per accident (all persons).

Property Damage Liability Insurance: pays for damages to the property of other persons on your behalf including the costs of legal defense and settlement.
The minimum amount of property damage liability insurance coverage required by State law is $10,000 Property Damage Liability.

Note that your policy will contain certain conditions and exclusions under which no liability coverage will be available to you. For example, if you are uncertain whether a potential driver would be covered by your policy, you should read the terms of your policy or call your insurance agent **before** you allow that person to drive.

Uninsured Motorist Coverage: pays for your bodily injuries (or those of others who were occupying your vehicle at the time of an accident) and for the damages to your vehicle if you are hit by another party that was driving without insurance or by a hit-and-run driver who cannot be identified. **The minimum amount of uninsured motorist coverage required by State law is $20,000 Bodily Injury per person, $40,000 Bodily Injury per accident (all persons), and $10,000 Property Damage.**

Note that the limits and coverages required by State law are only minimum requirements and that those amounts may be insufficient to cover your damages or the amounts that you are legally responsible for in the event of an automobile accident. Higher limits of coverage are available to you through your insurance company or other insurance companies.

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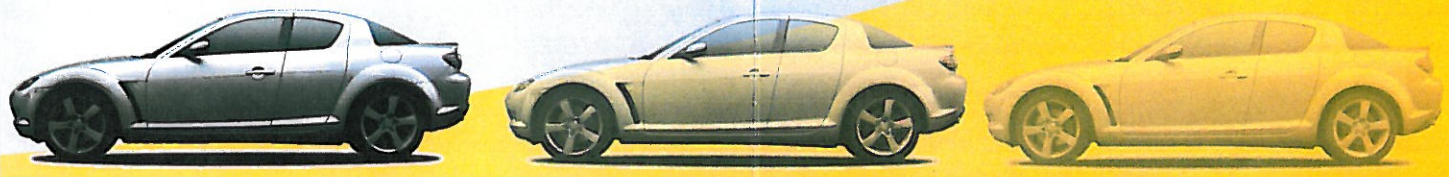


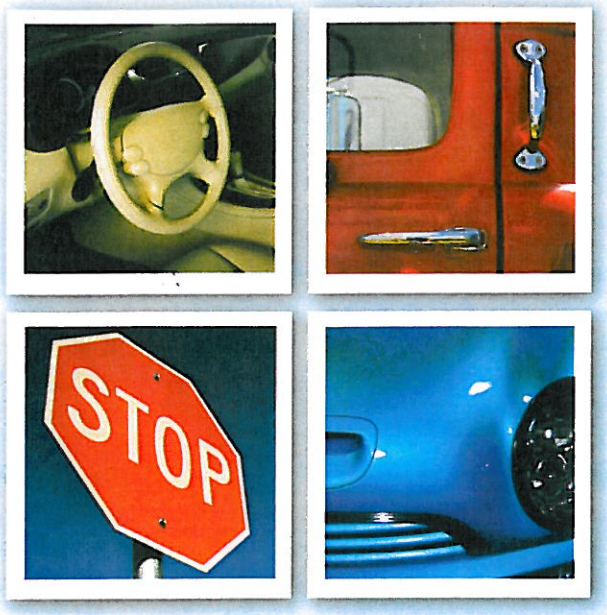
What Other Coverages Are Available

Underinsured Motorist Coverage: pays for your bodily injuries (or those of others who were occupying your vehicle at the time of an accident) and for the damages to your vehicle if you are hit by another party that did have lawful insurance coverage, but the limits of their coverage are insufficient to cover all of your injuries or damages.

Medical Payments Coverage: pays a limited amount of medical expenses for you and others who were occupying your vehicle at the time of an accident regardless of fault.

Coverage for Damage to Your Auto: (or Automobile Physical Damage Coverage) pays for the repair of your auto if it is damaged in an accident or incident. In the event that the cost to repair your auto exceeds the limit of its value, your insurance company will pay you that limit instead of repairing the auto. This coverage is generally subject to a deductible (your out of pocket expenses). The dollar limit of the deductible you choose will affect your rate. Generally, two different coverages are used to provide coverage for damage to your auto:

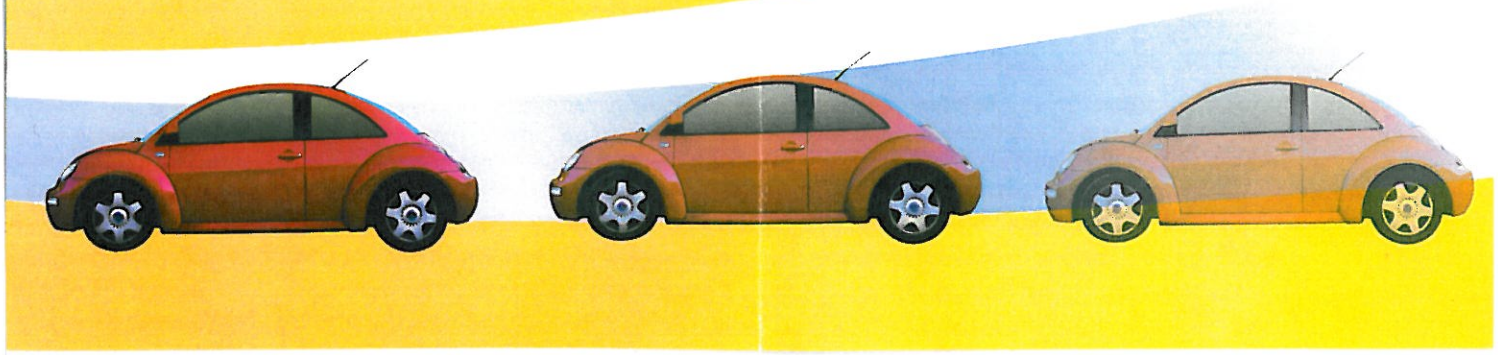
Comprehensive Coverage: (also referred to as Other Than Collision Coverage) pays for the repair of physical damage to your auto caused by loss other than collisions such as: theft, vandalism, flood, fire, falling objects, or contact with an animal, etc.



Collision Coverage: pays for the repair of physical damage to your auto caused by the collision of your auto with another vehicle or object (other than an animal) or the overturning of your vehicle.

Rental reimbursement coverage: pays a limited amount toward the cost of a rental vehicle while your vehicle is being repaired due to a covered loss.

Towing and labor coverage: pays a limited amount toward the cost of towing or making minor on-site repairs to your vehicle due to its mechanical breakdown or disablement.



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