



Auto Insurance

Practical University

- Driving a car involves hazards. State law requires you to pay for accidents you cause. Insurance helps with this.
- The State requires minimum liability coverage.

Why do we need it?

- The premium, or fee, you pay to an insurance company depends on:
 - The type of vehicle you drive (sports cars extra for collision)
 - Age and gender of covered drivers (young men- high liability)
 - Driving history (tickets and crashes)
 - Location where the car is primarily driven and stored
 - The city is high, the country is low.
- Insurance attaches to the automobile primarily
 - Young adults must be added to a policy. If driving with permission, they are covered under parent's policy.
 - Other drivers may be covered if they do not live at the same address as policy holder and are not excluded.

Premiums & Other Drivers

- Bodily Injury (BI)
- Property Damage (PD)
 - Includes actual damage to property and loss of use
- Collision: payments to repair or for a total loss
 - For a “total”, insurance will pay the book value of your car.
- Comprehensive: for incidents other than collision
 - Fire, theft, vandalism, weather, animals
- Collision and comprehensive are subject to a deductible.
 - This is the amount you must pay before insurance pays.
- A finance or leasing company may require you to have collision and comprehensive for the full term of the financing or leasing.

What does it cover?

- One in five cars are uninsured.
- This coverage is available for property damage and personal injury if the at-fault party has too little or no insurance.
- Your company pays the bills, and then they seek to recover from the at-fault party.
 - This is called “subrogation.” Doesn’t work most times.

Under/Uninsured coverage

- When you rent a car, you are driving a car you do not normally drive, so you may not be familiar with it.
- It is wise to either:
 - Pay for the rental with a credit card that provides coverage
 - Purchase supplemental coverage from the rental company
- Make sure that your AMEX, MasterCard, etc. provides rental car insurance before you check the Collision Damage Waiver or other waiver.
- There is optional coverage that will pay for a rental car when your car is being repaired. It is usually \$35 or so.

Rental Car

- Texas law requires minimum liability coverage: 30/60/25
 - \$30,000 for one person's medical bill
 - \$60,000 for all bodily injuries
 - \$25,000 for property damage
- It is wise to carry more, like 100/300/50
 - It does not cost too much more- and offers more protection.
 - It is also needed for an umbrella policy.
 - That is additional coverage over home, auto, boat, etc.

Texas Law

- A proof of insurance card is needed:
 - When asked by law enforcement
 - When in an accident
 - When you register an auto or renew
 - When you obtain or renew a drivers license
 - When you get a car inspection
- The fine for not carrying is \$175-\$350; could lose license
- Some folks get insurance for these and then cancel.
- TexasSure is a verification system in place to make sure everyone has basic liability and does not cancel.

Proof of Insurance

You can buy basic liability coverage through Texas Automobile Insurance Plan Association (TAIPA) if you are rejected by two (2) insurance companies.

- No collision or comprehensive
- No higher liability (just basic 30/60/25)
- Can get Personal Injury Protection and under/uninsured motorist coverage
- The phone number is 1-866-321-9154

Can't get Insurance?

- Contact:
 - Texas Department of Insurance (TDI)
Consumer Protection Program
PO Box 149091
Austin, TX 78714-9091
Fax: 512-475-1771
Email: ConsumerProtection@tdi.texas.gov
- Consumer help line: 800-252-3439

Complaints?
