



PERSONAL

MORRIS & REYNOLDS INSURANCE PRESENTS

EDITION ONE: 2010

INSURANCE PROTECTION

AUTOMOBILE INSURANCE

AUTO INSURANCE COVERAGE BASICS



Understanding the basic coverage terms of a typical automobile policy can help you arrange your coverage to best suit your own unique needs. The following terms illustrate some of the basic coverage options found in an automobile policy and what they generally cover:

BODILY INJURY LIABILITY & PROPERTY DAMAGE LIABILITY: Most states, such as Florida, require certain levels of minimum liability insurance.

This type of coverage protects you from bodily injury and/or property damage that you do to others and that you are found to have caused due to negligence. It can also pay the cost to defend you when an accident results in you being sued in a lawsuit.

Bodily Injury Liability insurance applies to damages you cause to someone else. It can be used to pay the injured person's medical bills, lost wages, pain and suffering caused your negligence.

Property Damage Liability Insurance

pays to repair or replace property that you negligently damage. This includes other cars or property, such as a boat, a trailer, a house or other such property you might hit with your car or truck.

In order to properly protect yourself and your assets carrying an appropriate limit of liability is very important and as such high limits are suggested.

UNINSURED MOTORISTS: Uninsured motorists coverage pays for medical bills if someone who is uninsured strikes you or if you're a victim of a hit-and-run driver. Although optional in Florida Uninsured Motorist coverage is required in some states.

MEDICAL PAYMENTS: Medical payments coverage can pay for the medical expenses suffered by all persons injured in or upon any automobile or while being struck by an auto you do not own. Should you hit a pedestrian then this coverage would not apply to the pedestrian's injuries but would apply to any injury you or your passengers suffer.

PERSONAL INJURY PROTECTION: Personal Injury Protection (PIP), also called 'No Fault', coverage pays for initial medical expenses, lost wages and funeral costs in the event of a death, for you and your passengers, who are injured in an accident. PIP coverage is required in 16 states, including Florida.

Florida's minimum coverage is \$10,000.00 **Personal Injury Protection** and \$10,000.00 **Property Damage Liability**. Here are some of the components of PIP coverage.

Medical: PIP will cover up to 80% of all accident-related medical expenses.

Disability: If covered individuals are unable to work due to accident-related injuries, PIP helps recover up to 60% of their lost income, including any reasonable expenses incurred during the recovery period.

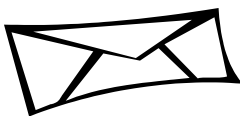
Death: Benefits equal to \$5,000 or the remainder of unused personal injury protection benefits per individual, whichever is less, will be paid to a covered insured's executor or designated beneficiary if they die due to accident-related injuries.

Property Damage (PD) Liability: The first \$ 10,000.00 of damage you do to another's property is part of Florida's law and your PIP/PD policy.

COMPREHENSIVE DAMAGE: Comprehensive is physical damage insurance on your vehicle for losses other than a collision such as fire, theft, flood and windstorm. In Florida, the cost of repairing or replacing a damaged windshield is covered without a deductible.

COLLISION DAMAGE: Collision coverage is just that, physical damage insurance that protects your car in the event of a collision and is nearly always purchased with comprehensive coverage. It covers repair or replacement cost of the vehicle that has collided with other cars/objects or has rolled over.

Losses for comprehensive and collision claims in a basic personal auto policy are paid based on depreciated value, also known as **actual cash value**, not the value of a new car.



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COVERAGE OPTIONS TO CONSIDER



Depending on your unique needs and exposures, coverage can be tailored to meet your needs. Examples of some endorsements to consider include:

RENTAL CAR COVERAGE: How to insure a rental car depends on many variables, including the auto coverage you carry, the rental agreement, how the rental company's collision damage waiver is worded, and even your credit card company agreement.

In fact, there are so many variables that we have created an outline on just that topic. Contact us and request a copy of Morris & Reynolds' **HOW TO INSURE A RENTAL CAR.**

EMERGENCY ROADSIDE COVERAGE: Often called **Towing & Labor** coverage, this pays for the cost of towing your car if it becomes disabled and is combined with collision coverage. Your limits is typically the maximum amount referred in your policy, and is paid per incident.

LOAN/LEASE GAP COVERAGE: This coverage is used to provide coverage

for cars with outstanding loan balances or leased vehicles. It pays the difference between the actual cash value at the time of the loss, less the deductible, and the vehicle's payoff value.

CUSTOMIZED EQUIPMENT: Coverage can be endorsed to remove a common policy exclusion for customized equipment permanently installed other than installed by the car's manufacturer. Coverage is paid as the lesser of the actual cash value or the cost to repair or replace the item (s). Examples of custom equipment include:

- Any dealer-installed equipment that is not offered by the original manufacturer such as after-market audio or video equipment.
- Special equipment such as: running boards, roll bars, lighting, bed liners, camper shells, and trailer hitches.
- Customized wheels, spoilers, suspensions or performance-related equipment among other equipment.

TRAILER/CAMPER BODY COVERAGE: This endorsement deletes an exclusion in most policies and thus allows coverage for awnings or cabanas or equipment used to create additional living space in/on your vehicle.

NAMED NON-OWNER COVERAGE: In the event that you do not own a vehicle but want and need coverage when you rent or borrow a car such coverage is available. Named Non-Owner coverage provides excess liability, medical payments and uninsured motorists cover-

age for a named individual who does not own an automobile.

EXTENDED NON-OWNED COVERAGE / VEHICLES FURNISHED OR AVAILABLE FOR REGULAR USE: Coverage is available in the event you are supplied a company car and want to protect yourself. Excess Liability and Medical Pay-



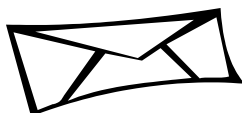
ments coverage is available for those specifically named in the endorsement.

MORRIS & REYNOLDS INSURANCE

The Reynolds family has been in the insurance profession since 1910 and has operated its Independent Insurance Agency, Morris & Reynolds Insurance, since 1950.

Now in its third generation of family ownership, Morris & Reynolds offers its clients trusted choices from over 100 of the world's leading insurers for all forms of coverage, as well as innovative care and service from a passionate, award-winning TEAM of professional people, the finest people in insurance.

Whether you need Personal Protection, Commercial Coverage or Employee Benefits, we are happy to help. Please contact us, today, at **305-238-1000.**



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