

Your Protection

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The very first insurance policy that my grandfather wrote when he opened our agency in 1950 insured a 1949 Buick Roadmaster. Today, we are pleased to lead the auto insurance market by delivering more choices, services and low rates to our clients than ever before.

*This issue of **Your Protection** considers why some auto rates have decreased, offers suggestions to help you save money on auto insurance, and overviews the best three companies for your coverage, as well as outlining "What Is Covered" in better policies.*

Please call us at any time that we can help with your auto insurance. As always, thank you kindly for allowing us to provide your protection.

AUTO INSURANCE Rates Go Down As Competition Heats Up

Getting More For Less

It's a fact: Florida auto insurance costs have stabilized or decreased over the past three years. Good drivers have seen costs decrease by 6.5% in the past year alone. In addition to lower rates, insurers are offering better coverage and service, while new companies are aggressively heating up competition for your business. Page Three outlines three fine examples (Mercury, Progressive, and The Travelers) of quality companies that are leaders in offering low rates, financial stability and great service.

Everyone Gets Credit

Insurers site the reasons for lower rates include better underwriting, reducing their expenses, aggressive claims settlement, and automation advancements.

Independent Agents deserve credit by searching for improved company choices, better use of technology, and innovative services, as well as accepting lower commissions which help drive down insurer expenses and, thus, rates.



The Insurance Commissioner shares in the glory of progress fighting claims fraud, stronger laws against drunk driving and a reduction in uninsured drivers which spreads claim costs among more people. Recently, the Commissioner demanded that four companies, Allstate, State Farm, USAA and GEICO, lower rates due to excessive profits. With 13 insurers reducing rates between 0.9% and 13.6% since December, the Commissioner expects other companies to follow.

Manufacturers say cars are safer, thus helping reduce claims and that replacement parts distribution has become more efficient and less costly.

The Stock Market's performance has created profits that insurers need to put to good use. Investing in writing new policies and the costs to service them, is one way to use these funds.

Finally, following Hurricane Andrew, Florida has recently seen many insurers which formerly wrote homes and property insurance cease offering such policies. With employees and abilities already in place, it makes sense that a transition to selling largely non-hurricane policies (like auto) would allow those company offices to remain open and their people to maintain jobs. The opportunity and quality of sales, no matter the type of coverage available in Florida, is simply too great for these companies to overlook.

For these reasons and others, the **great news** is that the marketplace for auto insurance has improved with more choices and lower rates. Please count on Morris & Reynolds to continue to provide the auto insurance solutions you need and deserve for many years.

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Your Protection

SAVING MONEY ON AUTO INSURANCE



Protecting yourself from costly claims at an affordable premium is a combination of many things. Competitive rates, proper coverage, quick claim payments and having an expert on your side, all save you money. Here are 11 ideas that will save money on your car's insurance coverage:

Select A Stable And Secure Company

Well rated, financially strong and experienced insurers offer the best service. Be sure your company has a reputation for fast, fair, claim settlements and is well rated.

Do Not Over-Insure

Choose only the coverage you need. If your car is older, consider dropping collision insurance. We are expert at explaining choices and helping you decide what's best for you.

Never, Ever, Ever Under-Insure

Saving a few dollars up front could cost a significant amount of money at the time of a loss, especially a large one.

Choose The Correct Liability Limit

Don't underestimate jury awards; often they are astronomical. Consider the liability limits you carry carefully.

Carry An Umbrella Liability Policy

This inexpensive coverage picks up where your auto and home liability insurance ends. It can save huge amounts of money in the event of a monumental judgement against you.

Get Every Discount You Deserve

Insurers offer dozens of discounts and the savings can be considerable. Discounts include: air bags, anti-lock brakes, being claims free, drivers education, group or association membership, having prior coverage, insuring multiple cars, insuring a home and auto together, passive seat belts, paying premium in full, pleasure use, mature driver credit, renewing coverage, and students with good grades, among others.

Uninsured Motorist Coverage

50% of South Florida drivers, by some estimates, do not carry insurance and are breaking the law. Uninsured motorists coverage can save you money in the event you are the victim of an uninsured, under-insured or a hit/run driver.

The Comprehensive Coverage Question

This coverage pays for fire, theft, vandalism or other losses out of your control. Carefully consider whether you need comprehensive coverage on older cars.

Use The Correct Deductible For You

"Self-insuring" can save money every year. The "base" deductibles offered by many companies is \$ 50 for comprehensive and \$ 200 for collision claims. Increasing both deductibles to \$ 250 saves about 30% on comprehensive and 2% on collision premiums. Increasing both to \$ 500 saves about 38% on comprehensive and 24% on collision premiums.

Consider Collision Coverage Carefully

This coverage is often optional unless you have a loan or lease on your car. If you have a choice, evaluate the need for this coverage carefully, as well as the deductible you carry, especially on older cars.

ALWAYS Use An Independent Agent

"Direct" agents like those at State Farm and Allstate only offer one company and are employed by that company. Others such as GEICO, USAA and AIG offer just one choice, work for the company and deal exclusively over the phone or by mail. An Independent Agent (just like Morris & Reynolds Insurance) offers many choices and represents YOU, not some big company. By offering several insurers that will compete for your business, we "shop" for the best combination of insurance company, coverage and cost. And when you have a claim, you can count on your Independent Agent to serve you by helping obtain a fast, fair settlement. When you consult with us, we'll help you make the right decisions about your coverage and save money every year.

Talk To Us Today At 305.238.1000

Your Protection



THE COMPANY WE KEEP

Founded in 1864, **The Travelers** wrote the world's very first auto insurance policy in 1897. In Florida, The Travelers sells personal insurance as the First Floridian Auto & Home Insurance Company.

As one of the world's largest financial service companies, The Travelers enjoys over \$ 20 Billion in Assets, Revenues of more than \$ 21.3 Billion, with over \$ 8 Billion in Claim Surplus.

We Put
Florida
First.



First Floridian
Auto and Home Insurance Company
www.travelers.com

The Travelers is Rated A+ (Excellent) by A. M Best, AA- (Excellent) by Standard and Poors, Aa3 (Excellent) by Moody's and AA (Very High) by Duff & Phelps.

First Floridian is an aggressive auto insurer in Florida, having reduced its rates three times in the past 18 months alone.

In addition to auto insurance, First Floridian offers home, flood, jewelry, boat and umbrella policies to qualified clients.

When it comes to quality service and competitive rates, *you really are better off under The Travelers red umbrella.*

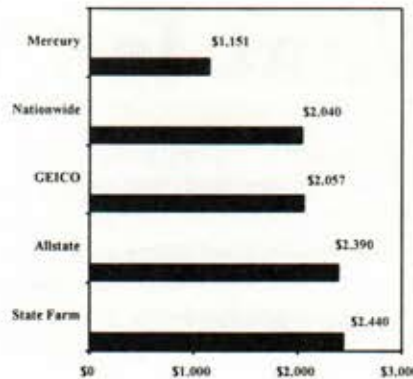


Mercury Insurance Group

Founded in 1962, **Mercury** is an auto insurance specialist that provides peace of mind with \$ 2 Billion in Assets on Sales of more than \$ 1 Billion and over \$ 1 Billion in Claim Surplus. Mercury is Rated A+ (Excellent) by A.M. Best.

Mercury is known for their low rates. In a study in its home state of California, the Insurance Department concluded that Mercury was the least expensive company available in the entire state.

How Competitive Is Mercury In Florida?



At a time when many insurers are lowering rates for the first time in years, Mercury's rates are frequently much less than the others' "reduced" prices. Mercury offers low premiums by: (1) having lower internal costs (among the lowest in the industry); (2) aggressively fighting fraudulent claims; and (3) rewarding careful drivers with their best rates. **Last year Mercury wrote 300,000 new policies due to its low rates and great service.**

Morris & Reynolds is proud to be Mercury's very first South Florida agent.

Founded in 1937, **Progressive** is the fourth largest writer of auto insurance in America. Progressive has policies for every driver, driving record and automobile.

Progressive provides peace of mind to their policy holders with over \$ 8 Billion in Assets on combined Sales of nearly \$ 5 Billion and over \$ 2 Billion in Surplus.

Progressive is Rated A++ (Excellent) by A. M. Best.



PROGRESSIVE

Progressive is known for competitive rates and being able to insure any driver from those with the very best driving record to those, with, well, less than the best record. Progressive recently announced a rate reduction of 7.7% for many classes of drivers in Florida and is frequently the least costly company in Southern Florida.

Progressive is also known for outstanding service including its distinctive Immediate Response Claim help. If you're involved in an accident and call their 24-hour phone number, a claims representative in a special "Immediate Response Vehicle" is often dispatched from one of their 350 offices to begin the investigation and settlement process. The representative can pay the claim on the spot, and often does.

Progressive is "Driven By You."

Your Protection

MORRIS & REYNOLDS INSURANCE

"Savings and Service Has Been Our Policy Since 1950"



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This Issue: Personal Automobile Insurance



What Is Covered?

Although Florida law requires only minimal coverage in the form of Personal Injury Protection and Property Damage Liability, a properly structured auto policy protects you from all sorts of liability and physical damage claims.

LIABILITY: This is your protection for Bodily Injury and Property Damage Liability due to your negligence. Coverage is commonly offered in limits from \$ 10,000 to \$ 500,000, can be written as a "Combined Single Limit", such as \$ 300,000 for all Liability claims, or as "Split Limits", such as \$ 100,000 Per Person / \$ 300,000 Per Accident for Bodily Injury and / \$ 50,000 Per Accident for Property Damage Claims.

MEDICAL PAYMENTS: This pays for medical and funeral expenses for bodily injury to the named insured, their family or anyone else while occupying or struck as a pedestrian by a vehicle.

UNINSURED MOTORISTS: This optional coverage pays your bodily injury expenses that you would be legally entitled to collect, but cannot as the "at-fault" person is Uninsured, Under-Insured, a hit-and-run driver or has their claim declined. Since some Counties (such as Miami-Dade) have half of its drivers on the road without insurance, this can be very important protection.

PHYSICAL DAMAGE: This insurance protects your car from physical damage claims and has four possible coverages. **Other Than Collision** (known as "Comprehensive") pays for perils such as fire, theft, vandalism and glass breakage and is usually subject to a deductible. **Collision** pays for claims to your car due to its upset or impact with another object and is usually subject to a deductible. **Transportation** coverage pays to rent a car while yours is being repaired or replaced with limits

commonly of \$ 15 to \$ 30 per day. **Towing and Labor** coverage provides a flat dollar limit for towing and roadside labor costs after a covered claim.

PERSONAL INJURY PROTECTION: In an effort to reduce lawsuits and congestion in our Courts, Florida law requires drivers to place claims for the first \$ 10,000 of bodily injury on their own policy no matter who is at fault. "PIP" coverage is used to meet the Florida "No Fault" law and pays for 80% of medical expenses, 60% of loss of earnings and loss of life. Claims for injuries that exceed the \$ 10,000 threshold can be subject to a lawsuit against the at-fault negligent person or entity.

Please note that this is only a brief summary of some of the coverages available. Please consult your policy or call us with any questions you have about auto insurance. As always, thank you.