

# VEHICLE INSURANCE EXPLAINED

## HOW TO KNOW WHAT YOUR AUTOMOBILE INSURANCE REALLY COVERS

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*Below is a sample of what you might have for road vehicle insurance so you won't be confused when an Agent says, "You are insured for 50,100,50 and comprehensive/collision".*

**\$50,000 Personal Injury**...If you have an accident which is found to be your fault, and you injure one person who is in another vehicle or walking on the street, or sitting on the sidewalk, or wherever, your insurance company will pay for that injured person's medical bills and possibly time lost from work and possibly for pain and suffering up to \$50,000.

**\$100,000 Personal Injury**...If you have an accident which is found to be your fault, and you injure a group of people who are in another vehicle or walking on the street, or sitting on the sidewalk, or wherever, your insurance company will pay for that injured group's medical bills and possibly time lost from work and possibly for pain and suffering up to \$100,000 TOTAL for the whole group.

**\$50,000 Property Damage**...If you have an accident which is found to be your fault, and you damage property such as another vehicle, a store front, a utility pole, or whatever, your insurance company will pay up to \$50,000 to repair or replace the damaged property.

**Collision**...If you have an accident which is found to be your fault, and you vehicle is damaged, your insurance company will pay for the damage to your vehicle after deducting your deductible amount (\$50, \$250, \$500, whatever the amount). The insurance company usually wants your vehicle repaired at their repair facility, or a repair facility of their choice, or wants you to obtain three estimates of what it would cost to repair your vehicle.

If the damage is more than the vehicle is worth, than the insurance company will say that your vehicle is "totaled" and pay the total worth of your vehicle according to various "books" (Kelly Blue Book, Wholesaler's Black Book, etc.) after deducting your deductible amount (\$50, \$250, \$500, whatever the amount).

**Comprehensive**...This is supposed to include **Fire** and **Theft**, but insurance agents mislead you sometimes by saying that comprehensive is only fire or theft, or by saying you have "full coverage" when you don't! Be careful about what insurance you have!

If your vehicle is damaged or totaled by **Fire**, the insurance company will pay you to have it repaired after deducting your deductible amount, or "totaling" the vehicle and paying you the total worth of your vehicle after deducting your deductible amount.

If your vehicle is stolen (**Theft**), and the vehicle is found (recovered), the insurance company will pay you to have it repaired after deducting your deductible amount, or "totaling" the vehicle and paying the insurance company the insurance company will pay you to have it repaired after deducting your deductible amount or "totaling" the vehicle and paying you the total worth of your vehicle.

If your vehicle is not found (recovered), the insurance company will pay you the total worth of your vehicle after deducting your deductible amount.

In either case, they will not pay for personal items (clothing, tools, cell phones, computers, etc.) missing from your vehicle. These will be covered if you have homeowners insurance or home renters insurance or a special policy or "rider" to your policy that covers stolen or missing personal property.

**Vandalism...**This seems to be separate these days. If your vehicle is damaged by vandals, like "keying" the paint, or smashing the windows, your insurance company will pay you to have it repaired after deducting your deductible amount.

**Uninsured Motorist...**If you are in an accident which is not your fault, and the other vehicle is at fault and has no insurance, your insurance company will pay you certain amounts for property damage and personal injury.

**Medical Payments...** If you have an accident which is found to be your fault, and you injure one or more persons in your vehicle, your insurance company will pay for the injured person or person's medical bills up to \$5,000 total for all persons in the vehicle.

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