

# APPLYING FOR AUTOMOBILE INSURANCE:



## WHAT YOU NEED TO KNOW



You are required by law to purchase and maintain automobile insurance coverage if you have a vehicle registered in Florida. Automobile insurance allows you to protect yourself and others in the event of an accident or injury involving your vehicle.

As you shop around for insurance and attempt to secure coverage, you will need to complete an application for insurance. This can typically be done online or in person with an insurance agent.

The insurance company will use the information you provide on the application to determine if it is willing to offer you an insurance policy and the rate you will pay, also known as your premium. This process is called the Underwriting Process.

# THE PROCESS

WHETHER ONLINE OR WITH AN INSURANCE AGENT, WHEN APPLYING FOR AUTOMOBILE INSURANCE BE SURE TO:

## 1 CONSULT WITH A LICENSED INSURANCE AGENT TO APPLY FOR COVERAGE.

- ✓ Verify before you buy. Contact the Department of Financial Services' toll-free Insurance Consumer Helpline to verify the insurance agent and insurance company is licensed before you apply for automobile insurance.
  - 1.877.693.5236
  - [www.MyFloridaCFO.com/Division/Consumers/PurchasingInsurance](http://www.MyFloridaCFO.com/Division/Consumers/PurchasingInsurance)
- ✓ Consider obtaining references or referrals on the insurance agent.

## 2 READ ALL QUESTIONS CAREFULLY AND ASK FOR CLARIFICATION.

- ✓ If a question is not clear or is confusing, don't be afraid to ask your insurance agent or insurance company to clarify the question.
- ✓ Confirm you are obtaining all the coverages that are required.
- ✓ Determine if there are additional optional coverages that you would like to purchase.

## 3 DO NOT OMIT ANY INFORMATION.

- ✓ Include all vehicles, mileage, amount of usage, drivers, accidents and tickets.
- ✓ Include all household members who will soon be driving age, have a driver's license that may occasionally drive the insured vehicles, or individuals who may have access to the insured vehicles.

## 4 ASK ABOUT ANY DISCOUNTS YOU MAY QUALIFY FOR SUCH AS:

- ✓ Safe driver credits
- ✓ Good student/driver's education
- ✓ Senior operator
- ✓ Anti-theft/anti-lock brakes

## 5 ASK FOR A COPY OF THE SIGNED APPLICATION.

- ✓ Maintain a copy of the signed application in your records.
- ✓ Once you receive your policy, compare the coverages you requested on the application with the coverages that are listed in the policy. If there are any mistakes, contact your insurance agent or insurance company immediately.

# APPLICANT/DRIVER/VEHICLE INFORMATION

The insurance agent or insurance company will need some of your personal information to include on the application.

## NAMED INSURED

The named insured is typically the owner of the automobile insurance policy and is responsible for making changes or handling issues with the insurance company on behalf of any drivers covered by the policy.

## PHONE NUMBER

Your phone number is needed so the insurance agent or insurance company can contact you if needed.

## ADDRESSES

Your mailing address and garaging address are both needed if they are different. The garaging address is where the vehicle is located or stored on a regular basis.

## VEHICLE INFORMATION

All vehicle-related information is needed such as the year, make/model (type of vehicle), how the vehicle will be used, and the vehicle identification number (VIN).

## DRIVER INFORMATION

The name(s), date of birth, age, gender, marital status, relationship, driver's license numbers, and accident/conviction history of each driver. This may include persons of a minimum age as requested by the insurance company, licensed or not, that are residing with you. This may also include all persons who regularly drive any listed vehicle on the application regardless of where they reside.

# COMMON AUTOMOBILE INSURANCE COVERAGES

Make sure you understand the various coverages available to you when purchasing insurance. Some coverages are required, and some coverages are optional.



## REQUIRED COVERAGES:

- Personal Injury Protection (PIP)
- Property Damage (PD) Liability

## OPTIONAL COVERAGES:

- Bodily Injury (BI)
- Collision
- Comprehensive
- Medical Payments (Med Pay)
- Rental Car
- Towing/Labor
- Uninsured/Underinsured Motorist (UM/UIM)

# REQUIRED COVERAGES



## PERSONAL INJURY PROTECTION (PIP) COVERAGE

**Personal Injury Protection (PIP) coverage** is often referred to as “no fault” and will apply regardless of fault if there are injuries sustained from an automobile accident. Florida law requires a minimum of \$10,000 of PIP coverage. Some insurance companies offer extended or additional PIP coverage in excess of \$10,000 that you can purchase for an additional premium.

If you and/or your passengers are hurt in an automobile accident and you are not diagnosed as having an emergency medical condition, you are limited to \$2,500 of PIP coverage instead of the \$10,000 coverage amount.

An emergency medical condition is an injury with severe pain that requires immediate medical attention to prevent serious harm to your health or body. Your injury must be determined to be an emergency medical condition by licensed, qualified medical providers such as medical doctors, physician assistants, dentists, osteopaths, or advanced registered nurse practitioners.



If you and/or your passengers are hurt in an automobile accident, you must receive initial treatment **within 14 days of the accident** in order to be eligible for payment under your PIP coverage.



Your PIP coverage will pay up to 80% of the medical expenses and up to \$5,000 for funeral expenses.



Your PIP coverage will also pay 100% of services if you have to hire someone to perform activities you would normally complete but are unable to perform due to your injuries; such as cooking, cleaning, and landscaping.



Your PIP coverage will also cover up to 60% of lost wages if you are unable to return to work as a result of your injuries.

All of the above benefits will be paid within your \$10,000 PIP coverage amount until the full \$10,000 coverage amount is used.

For a reduction of your premium, you have the option to exclude the lost wages benefit and the loss of earning capacity benefit on your policy. Loss of earning capacity refers to your reduced ability to earn money in the future or your inability to earn as much as you did before you sustained injuries as a result of the automobile accident.



## PROPERTY DAMAGE (PD) LIABILITY COVERAGE

**Property Damage (PD) Liability coverage** pays for the repair or replacement of another driver’s vehicle or damage to another person’s property caused by you or someone else driving your vehicle.

Florida law requires a minimum of \$10,000 of property damage liability coverage; however, you can purchase additional coverage in excess of the minimum \$10,000 for a higher premium.



# OPTIONAL COVERAGES

THESE COVERAGES ARE NOT REQUIRED BY FLORIDA LAW



## BODILY INJURY (BI) LIABILITY

Bodily Injury (BI) Liability coverage pays expenses related to the injury or death of another driver, passenger, or pedestrian when the automobile accident is your fault or the fault of someone else driving your vehicle.



## COLLISION

Collision coverage pays the expenses to repair or replace the vehicle damaged in an accident regardless of fault. If your vehicle is financed, oftentimes most lienholders will require you to purchase collision coverage, otherwise, collision coverage is optional.



## COMPREHENSIVE

Comprehensive coverage may also be listed as Other than Collision coverage on your policy. Comprehensive coverage pays the expenses to repair or replace your vehicle if it is stolen or damaged by fire, vandalism, falling objects, flood, windstorm, or impact with an animal. Windshield glass repair is also covered under comprehensive coverage. If your vehicle is financed, oftentimes most lienholders will require you to purchase comprehensive coverage, otherwise, comprehensive coverage is optional.



## MEDICAL PAYMENTS (MED PAY)

Medical Payments (Med Pay) coverage pays a portion of medical expenses and funeral expenses, as a result of injuries from a vehicle accident that are not covered by your Personal Injury Protection coverage.



## RENTAL CAR

Rental Car coverage pays for the cost of a rental vehicle while your vehicle is being repaired in the

event your vehicle sustained damage covered under your comprehensive or collision coverage. Typically, there is a specific limit on this coverage. For example, some insurance companies place a per day limit restriction on the cost of your rental vehicle.



## TOWING/LABOR

Towing/Labor coverage provides emergency roadside service due to a breakdown or mechanical failure of your vehicle. Towing and Labor is usually handled on a reimbursement basis. Typically, there is a specific limit on this coverage.



## UNINSURED/UNDERINSURED MOTORIST (UM/UIM)

Uninsured/Underinsured Motorist (UM/UIM) coverage provides coverage for you if you are in an accident and the other driver is at fault and does not have any insurance (uninsured) or does not have enough insurance (underinsured).

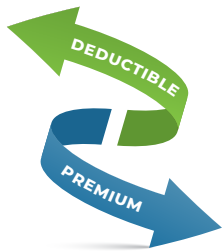
UM/UIM coverage does not apply to property damage but will cover expenses that would have normally been covered by the at fault driver's insurance coverage such as unpaid medical expenses, unpaid lost wages, and other expenses related to injuries incurred as a result of the accident. For example, this coverage will pay the 20% of unpaid medical expenses and the 40% of unpaid lost wages that are not paid by your PIP benefits; however, unlike PIP benefits, UM/UIM benefits are paid in a lump sum when you have completed treatment.

If you purchase this coverage, there are various coverage limits available; however, the limits must be equal to or less than your Bodily Injury Liability coverage limit.

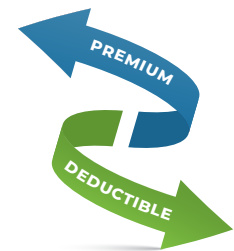
# DEDUCTIBLES

Some coverages on your automobile insurance policy will include a **deductible**, which is the portion you are responsible for paying when a claim is filed.

CAREFUL CONSIDERATION SHOULD BE TAKEN WHEN SELECTING A DEDUCTIBLE.



Typically, the higher your deductible, the lower your premium and the lower your deductible the higher your premium.



You should not select your policy coverages based solely on the amount of the premium or the amount of the deductible. Be sure to review the available coverages to ensure your vehicle is adequately insured.

- Common comprehensive and collision coverage deductibles are \$250, \$500, and \$1,000. Your insurance company may offer other deductibles.
- PIP deductibles are optional; however, you may choose to have a PIP deductible in order to lower your premium. The insurance company must offer you the option to select a deductible in the amount of \$250, \$500, or \$1,000. If you select a deductible, you have the option to apply that deductible only to yourself or you have the option to apply the deductible to yourself and your dependent relatives residing in the same household with you. The deductible, if selected, will apply only to your medical benefits and any disability benefits you receive. The deductible will not apply to the \$5,000 death benefit on the policy.

# COMMON UNDERWRITING QUESTIONS

UNDERWRITING IS A TERM THAT REFERS TO THE PROCESS OF EVALUATING THE RISK OF INSURING YOUR VEHICLE.

Based on the information you provided, the underwriting process allows the insurance company to determine if it is willing to provide the requested insurance coverage and if so, the premium it will charge for insuring your vehicle.

Below are examples of some common underwriting questions or information your insurance agent or the online form may ask you when you apply for automobile insurance. To avoid some common mistakes, please be sure to answer questions accurately when purchasing automobile insurance.



Has the applicant, any household member or any listed driver:

- ▶ Had auto insurance cancelled, been refused insurance or had their insurance non-renewed?
- ▶ Had their driver's license or registration suspended, revoked or refused based upon the denial of driving privileges?
- ▶ Had a repossession or filed bankruptcy during the last 5 years?
- ▶ Been involved in an automobile accident as a driver whether or not at fault or received any moving violations?
- ▶ Been convicted of a felony?
- ▶ Made a PIP claim for medical injuries? This typically includes all claims filed for PIP benefits whether or not the claims were ultimately honored or paid by an insurance company.



Are there any residents living in your household age 14 and older, licensed or not, that have not been disclosed?



Have all regular drivers who may operate your vehicle been listed, regardless of where they reside?



Are there any other vehicles owned, leased or regularly used by anyone in your household? If the answer is "YES", you may have to provide the vehicle(s) information and submit proof of insurance for the vehicle(s).



Length of time during the year the vehicle(s) is located at the physical (garaging) address listed on the application.



Are any of the vehicle(s) listed used for commercial, business purposes or used during employment? This typically includes the delivery of food, magazines, newspapers, products or goods of any kind, either on a full or part-time basis.



## FOR MORE INFORMATION

If you have any questions about applying for automobile insurance, consult with your insurance agent, insurance company, or the Department of Financial Services toll-free Insurance Consumer Helpline at **1.877.693.5236**.



[www.MyFloridaCFO.com/Division/ICA](http://www.MyFloridaCFO.com/Division/ICA)

Your**FL**Voice@MyFloridaCFO.com

  @Your**FL**Voice