



Ignition

**Your Guide to Cars,
Insurance and Identity Theft**



Each step toward independence comes with questions about finances that may affect your future. We've got you covered; this booklet can answer some of the questions that surround buying a car, using credit cards and keeping yourself safe from identity theft.

Thinking about buying a car or getting a credit card?

Know how all that works?

Q: What do I need to know in order to buy a car?

A: Here are some helpful tips for keeping you safe during the car-buying process:

- You have the right to have a used car checked out by your mechanic before you buy it. If a seller won't let you do this, walk away.
- It's best to pay cash for a car, but if you can't, you may need a loan. You can't take out a loan on your own until you're 18, but your parent or guardian may help you get a loan if you are younger.
- If you decide to shop for a loan, look for the bank or credit union that offers a loan with the lowest annual percentage rate (APR).
- Find out what licenses an automobile dealer must have by visiting the Florida Department of Highway Safety and Motor Vehicles at <http://www.flhsmv.gov/dmv/dealer.html>. Then, check that the dealer has the right licenses to serve as a lender and offer a loan by visiting the Florida Office of Financial Regulation's website at <http://www.flofr.com/StaticPages/VerifyALicense.htm>. If you need to file a complaint against a lender, visit <http://www.flofr.com/StaticPages/FileAComplaint.htm>.

Q: If I saved \$5,000 for a car, can I buy a car that is \$5,000?

A: Not exactly. There are lots of other expenses that come with buying a car that you need to factor into your budget. You'll have to register your vehicle in the State of Florida, which can cost several hundred dollars. You'll also need to buy insurance (more on that on the next page).

You will need proof of insurance and a vehicle tag before you take possession of your car. Some dealers offer tag and insurance services. Compare the dealer's insurance rates with those of a local insurance agent and ask how much the dealer will charge to process and deliver your tag. You might save money by getting the tag and insurance yourself. You will need to visit or call your local Department of Motor Vehicles office in order to register your car in Florida and receive your license plate. Find an office at www.flhsmv.gov/locations/.



Q: Do I have to have car insurance?

A: Yes. Some insurance like Personal Injury Protection (PIP) and Property Damage Liability (PDL) is required by law. Other types, like Comprehensive and Collision Insurance, are optional, but may be a good idea. Insurance protects your finances if you are involved in an accident, because it may help pay to repair the vehicles involved and/or medical expenses.

- An insurance policy has a lot of different components that detail what your insurance will pay if you're in an accident. Your insurance premium — that is, the amount you pay for your insurance policy — is determined based on the coverage you are required to have and any other coverage you choose.
- Other factors that may affect your premium amount include your age (drivers under 25 pay more), sex (males pay more), location and the car's make, model, age, size and engine.
- If you're a student, you might be able to reduce your premium by maintaining good grades, passing a driver's education course and being added to your parent's or guardian's policy rather than getting your own.
- Shop around for the best rates. Meet with your insurance agent in person and let him or her explain your policy and your coverage. If your agent can't answer all of your questions or if you want to make sure the agent and insurance company are licensed in Florida, call the toll-free Insurance Consumer Helpline at 1-877-MY-FL-CFO (1-877-693-5236).

Q: What do I do if I get into an accident?

A: Call the police, exchange insurance and driver's license information with the other driver and notify your insurance company or agent immediately. If you are involved in a single-car accident — for example, you've hit a tree or telephone pole — call the police and your insurance company or agent. Your insurance company may request a police report before they will pay for any repairs or medical expenses.

Always be sure you and other drivers or passengers are safe and call 911 right away if there are any injuries.





Automobile Insurance Glossary

Personal Injury Protection (PIP): Also known as “no-fault” insurance, Florida law requires at least \$10,000 worth of PIP coverage, which provides coverage no matter who caused the accident.

Property Damage Liability (PDL): Florida law requires \$10,000 in PDL, which covers damage to the property of others, such as a car or building, when you cause an accident.

Collision and Comprehensive Coverage: Collision pays for damage to your car if it is involved in an accident. Comprehensive covers damage caused by things like fire, theft, vandalism, windstorm or flood. Collision and Comprehensive are not required by law, but if you get a loan for your car, your lender will probably require you to purchase them.

Medical Payments Insurance: This is coverage that helps pay necessary medical and funeral costs not covered by PIP.

Bodily Injury Liability: This is coverage that helps if someone else suffers permanent injury or death and the accident is your fault.

Uninsured/Underinsured Motorist (UM) Insurance: This is coverage that helps pay your medical costs and other damages when an accident is caused by a driver who doesn’t have enough insurance coverage to satisfy your claim.

Deductible: The deductible is the amount you have to pay before your insurance company pays when you’ve had an accident. Your premium can be reduced if you choose a higher deductible; however, consider if the savings are worth it if you’re involved in an accident and have to pay the deductible before your insurance kicks in.





Q: Is it a good idea to have a credit card?

A: Some people think credit cards are great and other people think they are a bad idea. The important thing to remember is that mismanaging or not paying your credit cards can cause big problems in the future, so it's important to use them wisely.

- It's smart to pay the credit card off completely each month. You can still take advantage of rewards or points the card offers, but you won't have to pay interest on your purchases.
- When shopping online, it is safer to use a credit card than a debit card. Credit card companies often offer fraud protection and are not linked to your bank account, which is

added protection if your credit card number is stolen.

- Shop around for the card with the lowest APR. Make sure you know how long that "low introductory rate" will last and what the rate will be afterwards.
- Read all of the fine print about fees and other terms.
- Monitor your account activity online. Each week, make sure that every charge that appears is one you remember making. Saving your receipts can help you identify all of the charges.
- Don't use your credit card for unplanned purchases unless they are emergencies or you plan to pay off the purchase in full when the next statement arrives.
- If you are not able to pay off the whole bill, it's wise to pay more than the minimum payment and don't make any new charges on the credit card while you pay off the debt.
- Never run or hide from creditors. If you have problems paying your bills, ask how they can work with you.



Credit Bureaus

Equifax

1-800-685-1111

www.Equifax.com

Experian

1-888-397-3742

www.Experian.com

TransUnion

1-800-888-4213

www.Transunion.com



Q: I'm too young to worry about my credit score, right?

A: Absolutely not! Your credit rating and history are gathered as soon as you finance a purchase, borrow money or get a credit card. The information about how you pay back — or fail to pay back — borrowed money is used by lenders and insurance companies in calculating rates. If you have a good score, it can help you secure loans, housing or even employment in the future. Your credit score can also affect the interest rates on your future mortgage, loans or credit cards. It takes a long time to repair a damaged credit score.

Here are some tips for establishing and maintaining good credit:

- Pay your bills on time.
- Inspect your credit report annually from each of the three credit reporting bureaus (see left). Make sure the accounts listed in your credit report belong to you.

All three reports are completely free and you can access them through www.AnnualCreditReport.com. Each credit reporting bureau offers an annual report; to monitor your credit report throughout the year, you can request a report from one bureau every four months.

There are many other websites that advertise a free credit report, but it is hard to know which ones are legitimate. Some are fraudulent services that are phishing for personal information, while others request a credit card number and you may be signed up for a subscription service you don't need. The only website that is authorized by Federal Law to provide a free credit report is www.AnnualCreditReport.com.

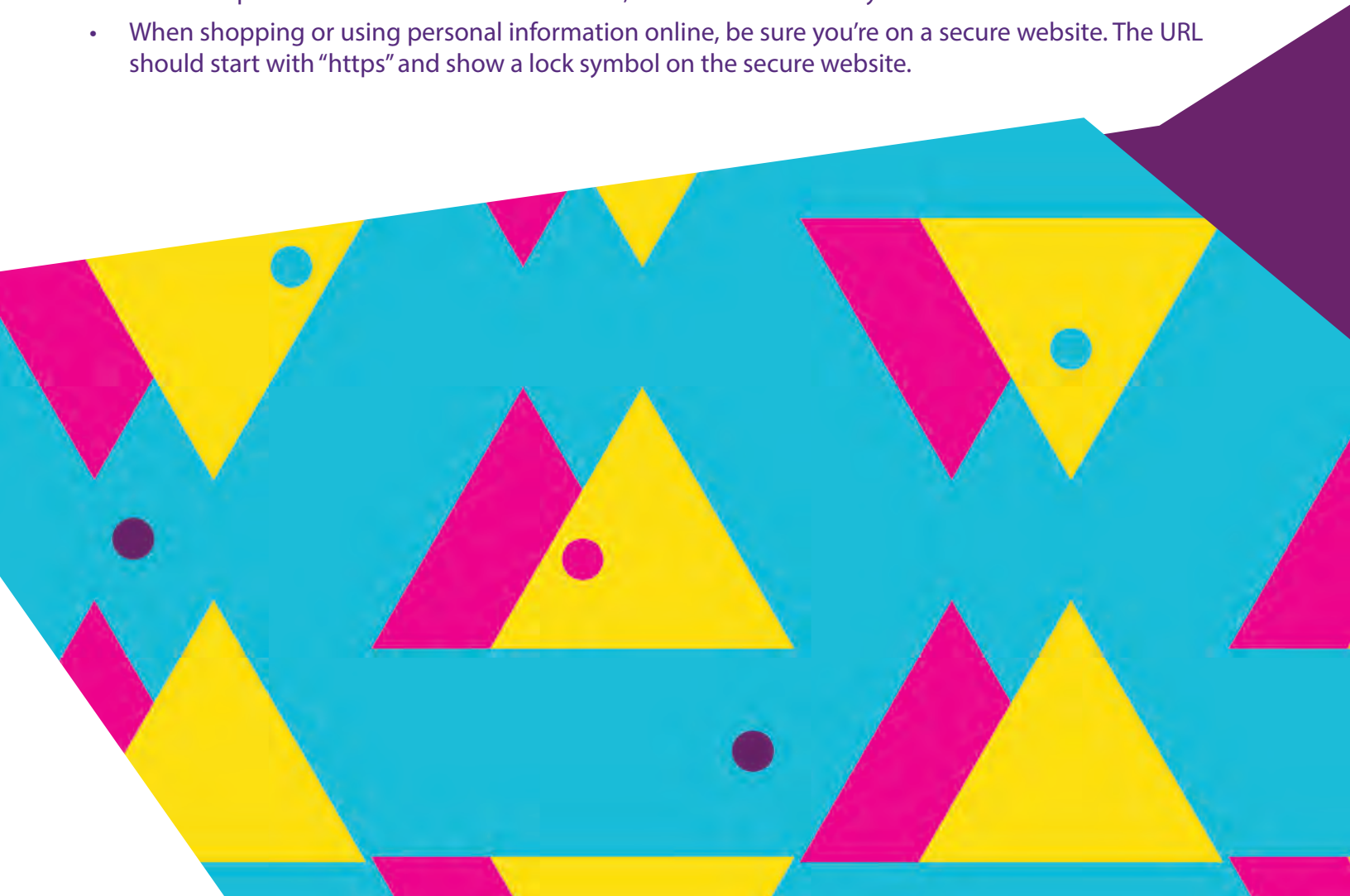
- Dispute inaccurate information immediately. The credit reporting agency is required to send you a copy of your rights when it mails your report.
- Don't borrow money using a "Title Loan" or "Payday advance," and stay away from credit offers that say "No credit? No problem." These kinds of loans often have very high interest rates and can be extremely difficult to pay off. If you get behind on one of these loans, it can negatively affect your credit score or even cause you to lose your vehicle.

Q: What does it mean to have my identity stolen? And how can I keep it safe?

A: Your identity is stolen if someone else uses your personal information for their own gain, such as using your credit card number, Social Security Number or bank account number to make purchases, borrow money, write bad checks, collect Social Security benefits or file for bankruptcy. If someone steals your identity, you could lose money or your credit rating could be ruined.

Here are some tips to keep you safe:

- Protect your Social Security Number. Never provide your SSN or bank account numbers to anyone unless you initiated the contact and it's a company you know and trust.
- Shred or destroy all unwanted documents that have personal information on them. This includes "junk mail" sent to you by credit card or loan companies.
- Try not to let your credit card out of your sight. When it's unavoidable, such as when dining out, use cash instead.
- Check your mailbox daily. Send outgoing mail from the post office or a collection box so that any mail with personal information will be secure; it can be stolen from your mailbox.
- When shopping or using personal information online, be sure you're on a secure website. The URL should start with "https" and show a lock symbol on the secure website.





Need more information?

Insurance: Automobile, Homeowners, Renters', etc.

- Visit www.MyFloridaCFO.com/Division/Consumers.
- Or call the free Insurance Consumer Helpline at 1-877-MY-FL-CFO (1-877-693-5236).

Personal money management: Saving for college, buying a car or a house, etc.

- Visit the Your Money Matter\$ website at www.MyFloridaCFO.com/YMM.



www.MyFloridaCFO.com/Division/Consumers
www.MyFloridaCFO.com/YMM

January 2018