



## 9½ Facts on Auto Insurance

Working through the information presented and the legal requirements for auto insurance can be overwhelming. Here are nine and a half tips that will help explain what you need to know.

1. **Driving Record** – Insurers review your past driving record and use it as a predictor of your future behavior. That’s why having a “clean” driving record will save you money! Violating traffic rules (designed to keep all of us safe) and getting into accidents will increase your perceived risk, therefore your insurance premium will increase. If you have a minor fender-bender, you may not have a rate increase. Some insurers will forgive a first-time accident, a minor accident or one in which you were not at fault. Some states have laws that govern what an insurer can use as justification to raise your premium cost. If you have an accident involving alcohol, you will have problems in more ways than a premium increase. You can expect your premiums to go much higher, if your policy isn’t cancelled outright. You may also be faced with jail time, losing your license for a period of time and incur large fines. In addition, you may be responsible for expensive repairs and medical bills. This information will remain on your driving record for from three to five years. You can purchase a copy of your driving record from your local DMV. Dave Reed Insurance, *The Peace of Mind People*, represents companies that specialize in insuring people with problem driving records.
2. **Purchasing a Car** – Purchasing a car brings up several questions about how your insurance will be affected. If you are using a loan, most lenders will require that you purchase both comprehensive and collision coverage. Insurance companies take the vehicle’s safety features and the cost of repair into consideration when they are preparing premiums. Vehicles with the most safety features and the lowest costs for repairs will have lower premiums. For example, fancy sports cars will have higher rates partly because they cost more to repair as compared to sedans. This is where Dave Reed, *The Peace of Mind People*, can help. Call us **BEFORE** you buy that new car and we can help you to be fully informed.
3. **Combining Vehicles** – If or when you marry, consider combining all the vehicles in your household onto one policy. Having one policy may be less expensive because many insurance providers offer multi-vehicle discounts. Being a married male implies less aggressive behavior resulting in fewer tickets and accidents. Call Dave Reed Insurance, *The Peace of Mind People* to save money.
4. **Vehicle Theft** – Most of us keep too much information about our vehicle in it! If the car is stolen, so is the information. It’s a good idea to have copies of your license, registration and insurance at home in your important documents file folder. Also, if you have updated your vehicle’s sound system or purchased new tires, etc., be sure to keep

receipts of these purchases and contact your agent to add this information. A security system (most new cars come with these installed) will lower premiums. If your car is ever stolen, contact the police first and then your insurance company. If you have a system like Lo-Jack installed, remember to tell the police. Some area police have Lo-Jack antennas installed in patrol cars allowing them to trace the vehicle quickly. Be sure to check your insurance policy rental car options. Dave Reed Insurance, *The Peace of Mind People*, can guide you to the providers that offer this discount.

5. **Personal Injury Protection** – This part of the coverage provides for medical or funeral expenses for you, any passengers or relatives residing in your household as the result of a motor vehicle accident. Depending on the insurance policy limits, PIP may cover about 80% of the costs of the insurance holder and passengers. These costs may include medical bills, lost wages and other assorted expenses. This is a ‘no-fault policy’ and will cover you and your passengers, even if the reason for the claim is your fault. This gets the medical payments into the pockets of the injured parties as soon as possible. As of January 1, 2008, drivers in Florida are required to carry at least \$10,000 in personal injury protection (PIP). If a policy-holder fails to maintain PIP coverage, the state of Florida may suspend the policy holder’s driver license and vehicle registration. Dave Reed Insurance, *The Peace of Mind People*, can suggest a coverage that fits your budget.
6. **Uninsured or Under Insured Motorist Protection** – According to the Insurance Research Council, approximately 15% - 17% drivers in the United States are uninsured. Despite all the penalties they could suffer, millions of drivers either cannot afford vehicle insurance or just ignore the potential consequences. In an attempt to address the problem, most U.S. States require each driver obtain a specified minimum amount of auto insurance coverage in case that driver is the cause of an accident resulting in injury and/or damages to others. Although each state varies in its minimum requirement, all states require three parts to the coverage: 1. A guaranteed minimum amount that will be paid per person, per accident; 2. A guaranteed minimum amount that will be paid out per accident, total; and 3. A guaranteed minimum that will be paid out for property damage, per accident. This coverage protects the driver who is not at fault in an accident by paying for injury and damages that would have been covered by the uninsured driver. Another type of coverage is underinsured motorist coverage. This protects the “not-at-fault” driver by supplementing the inadequate insurance of an “at-fault” driver. The friendly staff at Dave Reed Insurance, *The Peace of Mind People*, can explain these.
7. **Young Drivers** – All licensed drivers should be listed on you auto policy. Since young drivers lack experience, they can make poor judgment decisions, have emotional responses to challenging situations and take unnecessary risks while driving. Some insurance providers have special discounts for driver’s training courses and for good grades. It’s a good idea to purchase high liability coverage and high comprehensive coverage and to consider the type of vehicle the teenager drives. Dave Reed Insurance, *the Peace of Mind People*, can guide you to companies that focus on young drivers.
8. **Liability, Collision and Comprehensive Coverage** – An auto insurance quote is made up of different types of coverage. Liability, collision and comprehensive coverage are the main types. *Liability coverage* covers the damages you are responsible for because of an accident. Most states require all drivers to have a minimum amount of liability coverage by law. *Collision coverage* covers damage repairs to your vehicle if an accident occurs.

*Comprehensive coverage* covers damage to your vehicle not accident related, like natural disasters or theft. If you purchased your vehicle with a loan, most lenders require comprehensive and collision coverage. There is usually a minimum \$500 deductible, which allows you to share in the expense of the repairs. Also collision coverage varies based on the value of your vehicle and what it will cost to repair. We can help clarify this information. Give us a call today!

9. **Umbrella Policy** - This is an extra policy that covers both home and auto liability as well as slander and accidents. This extra liability coverage, any where from one million to five million dollars, can be purchased for a yearly premium of \$200 to \$300. This will cover you incase your liability coverage falls short of expenses. This is a *Peace of Mind* coverage.

9½. **Annual Check-up** – Many of us get caught unawares when an emergency occurs. Suddenly we realize that our coverage is out of date. At **Dave Reed Insurance, *The Peace of Mind People***, we review all our policies at least once a year to make sure that you are getting the right coverage with the most savings. We also encourage our clients to contact us regularly if your needs change. Adding another vehicle or driver are just two of the reasons for contacting us. We're always happy to hear from you and are ready to meet your insurance needs. We have four convenient locations to serve you.

## *Three Locations to Serve You*

**2740 Creighton Rd., Pensacola, FL 32504  
(Habla Espanol)**

**850 494-2264**

**200 Beverly Pkwy., Pensacola, FL 32505**

**850 432-7511**

**1091 N. Navy Blvd., Pensacola, FL 32507**

**850 453-8555**

