

# DRIVER SAFETY



"Breathing Life Into Safety"

## RISK MANAGEMENT DIVISION

May 2015

### How much do you know about your car insurance?

We see it all the time, save 15% in 15 minutes, or some other gimmick to get us to buy cut-rate auto insurance. Is the cheapest plan always the best? Auto insurance covers damage to other vehicles and property, as well as the injuries that result from them. Knowing what each coverage means is important. While every state has slightly different laws, the following is a general rule of thumb (according to the Insurance Institute for Highway Safety-IIHS)

There are 2 major categories of auto insurance:

Vehicle and other property damage. This category is broken down into 3 sub-categories:

- Collision, which insures against physical damage to your vehicle if you are deemed to be at fault.
- Property damage, insures against the physical damage of property, including other automobiles in crashes that at-fault drivers cause.
- Comprehensive coverage insures against theft or

physical damages unrelated to crashes, such as vandalism, or hailstorms.

The second major category covers injuries to occupants and others:

- Personal injury coverage pertains to a monetary value up to which a claimant may recover before litigation takes place.
- Medical coverage covers injuries to insured drivers and their passengers, but not the drivers of other vehicles.
- Bodily injury coverage applies to the injuries that at-fault drivers inflict on persons in other vehicles.

In Pennsylvania, the law requires you to maintain automobile insurance with minimum coverage limits for medical benefits (\$5,000) and liability coverage (\$15,000.00 per person, 30,000.00 per accident.) If you are involved in a car crash, then, even if the crash is someone else's fault, your own insurance pays your medical and wage loss

benefits. These are called "no-fault" benefits, and are paid up to the limits of your policy's coverage.

One example of exclusions that many drivers don't think about, is do my children have coverage if they deliver pizzas? Many young adults and college students do this kind of work for extra money, however a lot of insurance carriers do not cover this type of driving. Delivering pizzas would be considered a business activity, so many standard automobile policies will not cover this type of activity.

So what about that insurance policy that promised me cut-rate coverage? Just be sure that you read all of the fine print. Coverage inclusions and exclusions can be different from carrier to carrier, so be sure you are comparing apples to apples, and oranges to oranges.

Unsure of what to do or how to navigate the insurance waters? By all means contact an insurance agent licensed in your state of residence. (Source: IIHS-Auto Insurance Basics, 2014)

### Upcoming Driver Safety Classes

#### Distracted Driver

- **5/14/15**  
One Parkway Building, 18-022  
10am-12pm
- **6/11/15**  
Municipal Services Building, 16Y  
10am-12pm

#### Defensive Driver

- **7/22/15**  
Municipal Services Building, 16Y  
8:30am-12:30pm

For more training announcements:

[www.phila.gov/risk](http://www.phila.gov/risk)