

Common Questions About Auto Insurance

Q. Do I have to buy auto insurance?

A. Yes. All states have financial responsibility laws. This means that either you must purchase a minimum amount of liability insurance or prove that you have set aside enough money to pay for the damage you may cause in an accident.

Q. How much will my insurance cost?

A. Premiums, or the amount you pay for insurance, can vary widely. The type of car you drive, your driving record, your age, your sex, where you live and how much you drive usually affect the cost.

Q. Can I be added to my parent's auto insurance?

A. If you drive a family car you can be added to your parent's policy. However, the cost of the policy will increase. If you have your own car you can purchase a separate policy, but at a higher rate than what your parents pay.

Q. Will my insurance be affected if I'm involved in an accident or get a ticket?

A. You may have to pay more for insurance if you're at fault in an accident, get a ticket for a serious traffic violation such as speeding or file too many claims.

Glossary of Insurance Terms:

Agent (producer): An insurance salesperson. A.) An independent agent who does work for any insurance company and sells the policies of more than one insurer; b.) An exclusive agent who sells the policies of only one insurance company.

Broker: An insurance sales person who deals with agents and companies to find insurance for the customer.

Claim: A person's request for payment by an insurer for a loss covered under a policy. Your claims to your company are "first-party claims." Claims made by one person against another person's insurance company are known as "third-party claims."

Collision Coverage: Optional insurance that pays for damage to your car caused by collision with another car or object, or by a car rolling over. This is frequently required if you have a car loan.

Comprehensive physical damage coverage: Optional insurance which pays for damage to your auto caused by something other than a collision or the car rolling over, such as fire, theft, vandalism, flood or hail. This is frequently required if you have a car loan.

Conditions: Part of an insurance policy that states your obligations and those of your insurance company in order for the policy to be in effect.

Deductible: The amount, which you agree to pay, per claim or per accident. This is subtracted from the total amount paid by your insurer. If the claims is \$500 and your deductible is \$100, you pay \$100 and your insurance company will pay \$400. The higher the deductible, the lower your payment will be for the policy, but the more you will have to pay out of your pocket if you file a claim.

Insurance department: A state agency that enforces rules for the insurance business in each state. Valuable source of information about all types of insurance; also handles consumer inquiries and complaints.

Insurance company: A company which, in exchange for a fee (known as a premium), agrees to pay all legitimate claims that may arise under your policy.

Liability: A legally enforceable financial obligation.

Liability coverage: Insurance pays other people's losses that you have

caused unintentionally or through negligence. a.) Bodily injury liability coverage pays the medical costs of others and your legal defense costs if your car injures or kills someone; b.) Property damage liability coverage pays the claims against you if you damage someone else's car or property.

Negligence: Failure to exercise a generally acceptable level of care and caution.

Policy period: The amount of time insurance contract (policy) last. **Policyholder:** The person who buys insurance.

Premium: The amount you pay for insurance coverage.

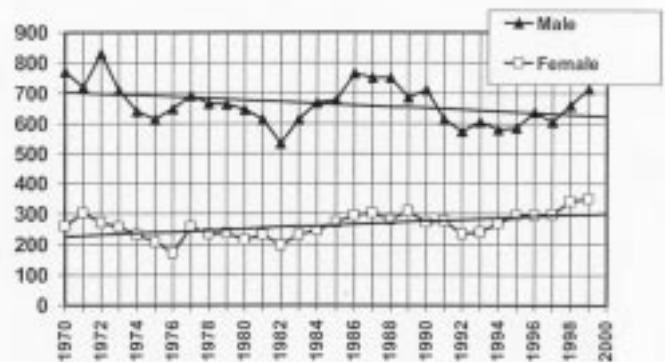
Proof of loss: Documents that you give to the insurer to support your request for payment of losses. The company uses these documents to determine whether and how much it will pay. (Examples: written repair estimates from auto body shops, police reports.)

Uninsured motorist coverage: Insurance, which pays for your costs resulting from an accident involving a hit-and-run driver, or a driver who does not have insurance.

AUTO INSURANCE FACT SHEET

- South Carolina ranks **38th** in the nation for average auto insurance expenses. (Source: National Association of Insurance Commissioners)
- The average South Carolinian spends **\$575.31** a year on auto insurance. The national average is **\$683.27**. (Source: National Association of Insurance Commissioners)
- Almost **28%** of South Carolina drivers **do not** have auto insurance. This makes SC **3rd** in the nation in uninsured drivers. (Source: SC Department of Public Safety)
- South Carolina has the **3rd** worst motor vehicle death rate in the nation. (Source: SC Department of Public Safety)
- South Carolina drivers had nearly **105,000** traffic accidents in 1999, with an economic loss of **\$2.2** billion. (Source: SC Department of Public Safety)
- In 1999, **1,064** people died and **55,322** were injured in South Carolina traffic accidents. (Source: SC Department of Public Safety)
- **Teenagers make up less than 5.4% of all South Carolina drivers, yet account for about 14% of all drivers involved in accidents.** (Source: SC Department of Public Safety)
- In 1999, males between 15-18 were involved in **11,178** traffic collisions. (Source: SC Department of Public Safety 1999 Traffic Collision Fact Book.)
- In 1999, females between 15-18 were involved in **8,755** traffic collisions. (Source: SC Department of Public Safety 1999 Traffic Collision Fact Book.)
- Almost **47%** of South Carolina drivers injured in a crash hire an attorney to represent them. (Source: Insurance Research Council)
- The average American household pays almost an extra **\$1,000** per year in insurance premiums due to insurance fraud. (Source: Insurance Information Institute)
- At least **10%** of all auto, home and business insurance claims are either fraudulent or highly inflated. (Source: Insurance Information Institute)
- Most accidents occur between 3:00 pm and 6:00 pm. (Source: SC Department of Public Safety 1999 Traffic Collision Fact Book.)

Male vs Female Traffic Deaths South Carolina: 1970 - 1999



Richland County Motor Vehicle Stats for 2000

- Total Collisions: 9,797
- 4,990 people were either injured or killed in a collision.
- Richland County ranks 3rd in the State of South Carolina for total amount of collisions and 4th in fatal collisions..
- There were 226,576 licensed drivers in Richland County in 2000.
- Richland County had an economic loss of \$160,200,000 due to traffic collisions in 2000.