



AUTO INSURANCE

SHOPPER'S GUIDE



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insurance.kansas.gov

Why do I need auto insurance?

TYPES OF COVERAGE

When you purchase auto insurance, your policy combines multiple individual coverages that protect against a specific type of loss. You must provide proof of insurance when: registering or renewing your vehicle tags, requested by law enforcement, or in an accident.

The following is a brief description of the basic coverages in a personal automobile insurance policy contract.

COVERAGE	PROTECTS AGAINST	EXAMPLE
Bodily injury liability*	Injury you cause with your car	You rear-end another driver and the impact gives them whiplash
Property damage liability*	Property damage you cause with your car	You run a stoplight and cause an accident with another car, smashing their passenger-side door
Personal injury protection*	Medical expenses for you and your passengers after an accident (required in some states)	You live in a "no-fault state" and are injured in a car accident
Uninsured/underinsured motorist*	Provides coverage for expenses associated with bodily injury caused by an uninsured or under-insured motorist	You are t-boned by an uninsured driver and your injuries require treatment

BEYOND THE BASICS

Comprehensive	Damage not caused by a collision	An icy tree branch falls onto your car's roof, smashing it and cracking the windshield
Collision	Damage caused by a collision, no matter who was at fault	You backed into a telephone pole and cracked your rear bumper

* Denotes minimum requirements in Kansas

Kansas Minimum Mandatory Coverages and Limits

Kansas law requires that every personal automobile insurance policy sold in the state have these minimum coverages:

COVERAGE

	\$25,000 per person – bodily injury
Liability Coverage	\$50,000 per accident – bodily injury
	\$25,000 per accident – property damage
	\$4,500 per person – medical expenses
	\$900 per month for one year – disability/loss of income
	\$25 per day – substitution benefits
Personal injury protection	\$2,000 – funeral, burial or cremation expenses
	\$4,500 – rehabilitation expenses to train for re-employment
	\$900 per month for one year – disability/loss-of-income survivor benefits
	\$25 per day for up to one year – substitution benefits
Uninsured/underinsured bodily injury	\$25,000 per person – bodily injury
	\$50,000 per accident – bodily injury

You may buy a policy that exceeds these minimum amounts. The Kansas Insurance Department strongly suggests you purchase as much liability coverage as you can reasonably afford in order to protect yourself and your assets. Talk with your agent about your personal needs.

Coverage Options

Additional coverages are available to you. Consult with your insurance company or agent/agency about what coverages you may need.

Rental reimbursement	This coverage provides for a limited daily amount for rental car charges while your motor vehicle is repaired for covered damages. Policies generally limit the maximum dollar amount and the number of days the coverage is in force per occurrence.
Excess medical payments coverage	This coverage provides for necessary excess medical amounts over and above those paid under PIP/Kansas no-fault benefits.
Umbrella liability policy	Provides an additional \$1 million to \$5 million limit of liability coverage beyond the limits of your primary personal automobile liability coverage. Pays only after you exhaust the limits of the primary policy.

Tips for lowering your premiums

- Compare premium rates for identical coverages and terms.
- Maintain a good driving record that does not have moving traffic violations and/or chargeable accidents.
- Consider raising your deductible on comprehensive and collision coverage.
- Before purchasing a car, determine the cost of automobile insurance. Repairs to some makes and models cost more than others and can increase your premium rates.
- Consider having liability-only coverage — as opposed to full coverage (comprehensive and collision) — on motor vehicles valued less than \$3,000. Your savings on premiums can be significant.
- Review your personal automobile insurance coverage periodically with your agent or insurance company, and update if necessary.
- You may qualify for a discount if two or more vehicles are insured with the same company or your vehicles have airbags, anti-lock brakes and/or other safety equipment.
- If you have other insurance policies, such as homeowners, renters, life or health, with the same insurance company, you may qualify for a discount.
- Maintain a good credit score. Plan eligibility may be affected by your score.

Tips for parents of teenage drivers

- If your teenager does not own a car — meaning the title is not in his or her name — and has had no moving traffic violations and/or chargeable accidents, ask to have your teen rated on your family's personal auto insurance policy as an occasional operator.
- Check for discounts available through your insurance company. You may be able to get a discount for having multiple vehicles insured by one company.
- Sometimes teenage drivers are assigned to the most expensive car in the household. You can save money by making sure your teen's name is assigned to the right car.

Shopping Checklist

There are some common questions you will need to answer when shopping for auto insurance. Remember, the least expensive deal is not always the best deal. Good insurance value means finding the right price, best coverage and quality service. Ask what discounts will save you money. Make sure the premium quotes you get are for the same term and coverage. For example, not all companies will offer the same deductible options.

Motor vehicle information

Year _____ Make/Model _____ Motor Vehicle ID No. (VIN) _____

Motor vehicle location (city, county, state and ZIP code) _____

Vehicle primarily used to travel:

_____ To and from work _____ To and from school _____ For pleasure

_____ For business _____ For farming _____ Other

Number of miles driven each year _____

Number of miles to/from work or school _____

Owner of motor vehicle

Name _____ Relation to insurance applicant _____

Age _____ Sex _____ Marital status _____ Occupation _____

Drivers to be insured on the policy

Name _____ Driver's license number _____

Age _____ Sex _____ Marital status _____

Accidents/moving traffic violations

Number of convictions for moving traffic violations in past three years _____

Number of accidents in the past three years _____

Ask about discounts for:

_____ Having multiple vehicles insured by one company

_____ Being a good driver

_____ Having auto and home or renters policies with one company

_____ Being a good student

_____ Taking a driver education/accident prevention course

_____ Having low annual mileage

_____ Having a car equipped with safety devices

_____ Being a mature driver

_____ Having a car equipped with anti-theft devices

_____ Carpooling

How are my premiums determined?

Companies can consider chargeable accidents for rating purposes for 3 - 5 years per accident. A chargeable accident is anything your company writes a check for. The percentage and amount of a surcharge may vary between companies.

Underwriting

Just because you apply with a particular insurance company does not mean the company has to provide insurance coverage to you. Underwriting is a process in which an insurance company determines if the risk you present to the company meets the standards or guidelines it has established for you to obtain or retain insurance coverage with the company. Underwriting takes into account factors about you, factors about other insureds in the household and your driving habits.

Eligibility into a personal auto insurance rating plan

If you are approved for coverage from an insurance company, some of the rating factors that will influence your premium rate are the driving record of individuals in the household where you reside; how you use your vehicle (for pleasure or traveling to work); make and model of motor vehicles to be insured; where you and other applicants/insureds drive and reside; your gender; your age and most recent prior insurance coverage (whether your coverage was canceled or not renewed). An insurance company will offer you a policy in one of three rating categories:

PREFERRED

This category is intended for drivers who are considered by insurance companies to be the best insureds because they usually are the safest drivers, present the lowest risk factors and are least likely to file a claim.

These types of drivers usually have had no moving traffic violations and/or chargeable accidents during the past three to five years. The premium charge for these types of drivers will be the lowest.

STANDARD

This category is for moderate-risk drivers. These drivers are usually driving family-type motor vehicles and have a reasonably clean driving record with no more than one moving traffic violation and no chargeable accidents during the past three to five years.

The premium charge for this category of personal automobile insurance will be higher than for the preferred program.

NONSTANDARD

This category is for drivers who insurance companies consider to be high risk.

These types of drivers may be younger than 25; have less driving experience; have had moving traffic violations and/or chargeable accidents during the past three to five years; have poor payment history; have had convictions for driving under the influence of alcohol or drugs and/or license suspensions.

Termination of your personal auto policy

An insurance company may terminate your coverage under certain circumstances. Coverage may be canceled or nonrenewed. Cancellation means the company terminates your policy before it expires. Nonrenewal means the company chooses not to renew your policy when it expires.

Cancellation

During the first 60 days of coverage under a new policy, the insurance company can cancel your policy for any lawful reason. After 60 days your policy cannot be canceled unless:

- nonpayment of an insurance premium and/or any installment when it is due. There is no grace period.
- insurance obtained through fraudulent misrepresentation.
- violation by the insured of any of the terms and conditions of the policy.
- the insured, a family member or a person customarily operating the insured's motor vehicle with permission has:
 - had his or her driver's license suspended or revoked during a policy period.
 - is subject to epilepsy or heart attacks and cannot produce a physician certificate indicating the insured's ability to operate a vehicle.
 - been convicted during the 36 months immediately preceding the effective date of the policy or during the policy period for any of the following:
 - any felony, vehicular homicide, operating a vehicle while intoxicated or under the influence of drugs, leaving the scene of an accident without reporting the accident, theft of a motor vehicle, making false statements on a driver's license application, or committing three moving violations within an 18-month period.

The company must give at least a minimum of 30 days written notice of the cancellation, except in the case of nonpayment of premium.

Nonrenewal

An insurance company must offer renewal of your personal automobile liability insurance coverages unless one of the following applies:

- The insurance commissioner requires the company to reduce its number of policies in order to preserve its financial integrity.

- The company no longer does business in Kansas.
- The company shows competent medical evidence that the insured has a physical or mental disability that impairs driving in a safe and reasonable manner.
- The company determines that a substantial change in risk has occurred that was not known at the time the policy was issued or last renewed.
- The policy has been continuously in effect for a period of five years after the first anniversary date.
- Any of the reasons that allow for cancellation.

Kansas Automobile Insurance Plan

If at least three companies have rejected you for personal automobile insurance, you may purchase coverage through the Kansas Automobile Insurance Plan (KAIP), which allows you to be assigned to one of the many insurance companies licensed to sell motor vehicle insurance in Kansas. The coverage provides basic liability insurance required by Kansas law and optional physical damage coverages, such as comprehensive and collision.

For Kansans who do have access to personal injury protection (PIP) as a result of not owning a car or motorcycle and not needing auto coverage, PIP coverage is available through the Kansas Automobile Assigned Claims Plan. This plan was created to provide fair and prompt claim service to those eligible injured individuals, with statutory personal injury protection benefits (PIP), arising out of an accident involving an uninsured car or motorcycle in the state of Kansas. This coverage is available provided these benefits are not available elsewhere to the injured person.

More information on these plans and how they work can be found at kaipins.org. If you have questions or need additional information, a licensed insurance agent who sells personal auto insurance can best assist you.

How do claims work?

As soon as possible notify your agent or company while the details are fresh in your mind. If you report a claim by telephone, follow up in writing. Cooperate with the insurance company's investigation. If you feel the other party is responsible for damages to your motor vehicle or other property, you will need to contact that person's insurance company or agent to file a claim.

If you suffer injuries and you are a titled owner of an insured motor vehicle, you should notify your own insurance company because your PIP/Kansas no-fault benefits will be the first to cover medical expenses incurred by you, regardless of who is at fault. It is important during any claim to fully cooperate with the insurance company and respond timely to their requests.



COMPANY HAS 30 DAYS FROM NOTIFICATION TO COMPLETE LIABILITY INVESTIGATION.

AFTER INVESTIGATION, IF CLAIM IS NOT DENIED, ONE OF TWO OUTCOMES IS COMMON FOR VEHICLE SETTLEMENT



1.



VEHICLE IS DECLARED TOTALED

Car is 7 years old or newer AND damage meets or exceeds 75% retail value - must be declared total loss.

Older than 7 years varies by company.

When determining retail value or actual cash value, company may reference online valuations.

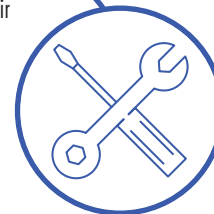
Company may offer to let you keep vehicle by deducting salvage amount from total loss settlement to you. Be aware choosing to retain vehicle may require a salvage title registration with the Kansas Department of Revenue.

VEHICLE WILL BE REPAIRED

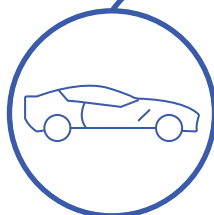
Company does not have to settle claim based on highest estimate of repair. If company believes the estimates are too high, it has the right to check with other repair facilities.

Company's offer needs to cover the actual repair costs to restore vehicle to pre-loss condition.

Can repair with after-market parts. May also repair with used or salvage parts provide parts are of like kind and quality.



2.



VEHICLE IS REPAIRED

Claim settlement check is issued in your name. If a first-party claim and a lien holder is named on your policy, company should include the lien holder's name on the claim settlement check.

A check issued to the repair shop only if you provide authorization for shop's name to also appear on check.

Filing a consumer complaint

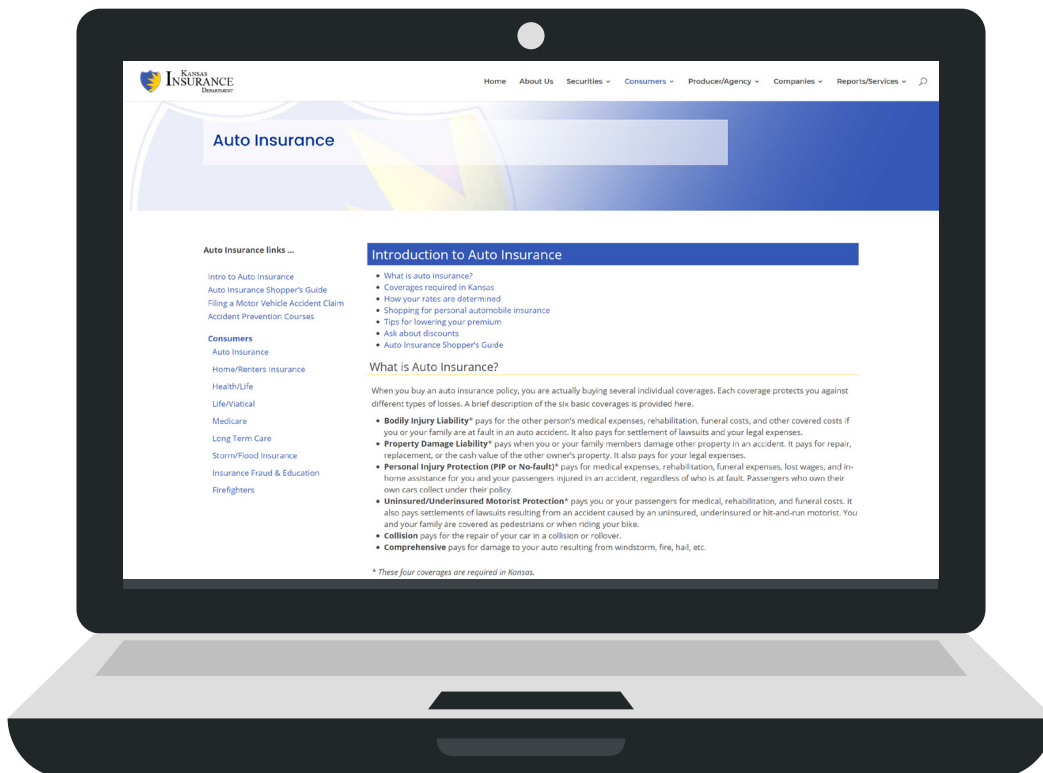
If you have tried unsuccessfully to resolve a claim dispute with your company or agent, we encourage you to contact the Kansas Insurance Department.

You may file a complaint online through our website, insurance.kansas.gov or by mail, 1300 SW Arrowhead Road, Topeka, KS 66604. You can also call our Consumer Assistance Hotline if you have general questions 1-800-432-2484.

Upon receipt of your complaint, the Department will investigate and keep you advised of developments. You will receive a letter informing you of the name of your consumer assistance representative, and your representative will contact the insurance company on your behalf.

FOR MORE INFO, VISIT

insurance.kansas.gov/auto-insurance/





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