

# AUTO INSURANCE for FSA Savers

## 2 Basic Rules

1. **Raise your deductible!** What's your current deductible? It should be at LEAST \$250. Call your agent tomorrow and find out what the difference is in your premium if you raise your deductible. If it costs you \$50 more to have that low \$100 deductible rather than having a \$250 dollar deductible, then you are effectively paying someone to make up for your poor planning. ***That is bad.***

If you only file a claim every 3 years (3 yrs = 36 months of payments) It is actually costing you an additional \$1800. **Establish your EMERGENCY FUND, then raise your deductible.**

2. **Price compare your policy EVERY YEAR.**

i.e. Pennsylvania **premiums are down 6%** (Dec 2008 vs. Dec 2009)

As of January 2010 these two comparison sites (below) provide the largest selection of companies. With only two forms to complete (one per site), you are able to shop prices at **22 companies**. It is the easiest and quickest way to compare prices for pre-screened licensed companies offering policies in Pennsylvania.

### [www.Insurance.com](http://www.Insurance.com)

Call toll free **1.866.533.0227**

Progressive  
21st Century  
Electric

Esurance  
The General  
The Hartford

Infinity  
Liberty Mutual  
Meritplan

MetLife Auto  
Newport  
QBE Insurance

Safeco  
Travelers  
Unitrin Direct

### [www.Insureme.com](http://www.Insureme.com)

Call toll free **1-800-467-8736**

Unitrin Direct  
Wellpoint

Farmers

Kaiser Permanente

Nationwide

American Family

## Tips:

- Make sure you know the length of the policy term. Policies can be **six months** (semi-annual) or **one year** (annual), depending on the insurance company.
- Many companies have their own payment (installment) plans that allow you to pay the premium over a period of time, **sometimes for a fee**. If you decide to buy a policy on an installment plan, find out the applicable service fees.
- **Possible Discounts – YOU MUST ASK FOR THEM . . . !!!!!!!**

E-Signature Discounts  
Safe Driver Discounts  
Educational Discounts  
Mature Driver Discounts  
Driver Training Discounts

**Multi-Policy Discounts**  
**(adding a renters or home insurance policy with same company REDUCES BOTH)**  
Anti-Theft Device Discounts

Accident Prevention Course  
Homeowner Discounts  
Pay-in-full Discounts  
Short Mileage Discounts

## **PENNSYLVANIA MINIMUM COVERAGE:**

- Medical Benefits — This pays medical bills for you and others who are covered by your policy, regardless of fault. The minimum limit is \$5,000 of coverage.
- Bodily Injury Liability — If you injure someone in a car accident, this coverage pays their medical and rehabilitation expenses and any damages for which you are found liable. The minimum limit is \$15,000/\$30,000. The \$15,000 pays for injuries to one person, while the \$30,000 represents the total available for one accident.
- Property Damage Liability — If you damage someone’s property in an accident and you are at fault, this coverage pays for it. The minimum limit is \$5,000 of coverage..
- This coverage is often referred to as **15/30/5 coverage.**
- Some companies offer a single limit of \$35,000 which meets the bodily injury liability and property damage liability minimum requirements.
- Limited or Full Tort — You can choose to have full or limited tort coverage. Limited tort coverage offers you a savings on your premiums. You are still able to recover all out-of-pocket medical and other expenses; however, you are not able to recover certain damages - such as payments for pain and suffering - unless the injuries meet one of the exceptions to limited tort as defined in Act 6 of 1990, title 75, section 1705 (d). With full tort coverage selection, you retain unrestricted rights to bring suit against the negligent party.
- **Pennsylvania’s State Insurance Site:**  
[www.insurance.pa.gov/portal/server.pt/community/types\\_of\\_coverage/5231](http://www.insurance.pa.gov/portal/server.pt/community/types_of_coverage/5231)

The following is helpful information found on [www.carinsurance.com](http://www.carinsurance.com)

**BASIC COVERAGE** This combination of options provides basic protection for those who have **limited income and savings**.

**STANDARD** This combination of options is common and often recommended. It provides reasonable protection for those who **own a home** and have **some assets to protect**.

<b>POLICY COVERAGE</b>	<b>BASIC</b>	<b>STANDARD</b>
Bodily Injury Liability	\$15,000/\$30,000	\$50,000/\$100,000
Tort Option	Limited	Limited
Property Damage	Liability \$10,000	\$50,000
First Party Benefits - Combination Package	NO COVERAGE	NO COVERAGE
First Party Benefits - Medical	\$5,000	\$5,000
First Party Benefits - Extraordinary Medical	NO COVERAGE	NO COVERAGE
First Party Benefits - Income Loss	NO COVERAGE	NO COVERAGE
First Party Benefits - Accidental Death	NO COVERAGE	NO COVERAGE
First Party Benefits - Funeral	NO COVERAGE	NO COVERAGE
Uninsured Motorist Bodily Injury	\$15,000/\$30,000	\$50,000/\$100,000
Uninsured Motorist Bodily Injury - Stacking	NON-STACKED	NON-STACKED
Underinsured Motorist Bodily Injury	\$15,000/\$30,000	\$50,000/\$100,000
Underinsured Motorist Bodily Injury - Stacking	NON-STACKED	NON-STACKED
<b>VEHICLE COVERAGE</b>		
Comprehensive (may be required w/ loan or lease)	NO COVERAGE	NO COVERAGE
Collision	NO COVERAGE	NO COVERAGE
Towing & Labor	NO COVERAGE	NO COVERAGE
Rental Car Reimbursement	NO COVERAGE	NO COVERAGE

## TERMS

### **Bodily Injury Liability (Mandatory in PA)**

If the policyholder or another driver covered by the policy are found to be at fault in an accident resulting in injuries or fatalities, the following is covered under Bodily Injury coverage:

- Medical expenses
- Lost wages
- Pain and suffering
- Legal defense if the drivers listed on the policy are involved in a lawsuit resulting from a car accident

Covers an injured third party. The dual coverage limits you see in your quote refer to the maximum amounts that will be paid per person, per incident, respectively.

If you select limits that are too low, you could be putting your assets at risk financially.

If you cause a serious injury where damages exceed your limits, you will be held responsible for the amount above your limits.

### **Tort Options (Right To Recover Damages) (Mandatory in PA – must pick one)**

A civil suit for a legal liability. This is the direct result of the negligence of another driver.

You are required to select one of the following options for compensation if another driver injures you or your family in an auto accident.

**Limited Right to Recover Damages (Limited Tort):** Your rights to financial compensation for injuries caused by other drivers will be limited. However, your premiums for Property Damage Liability, Full First Party Benefits (FPB), and Income Loss coverages will be lower than if you had selected full tort. Under the limited tort option, you are entitled to recover damages for medical and other out-of-pocket expenses related to a covered accident. However, you will not be eligible for financial compensation for pain and suffering or other non-monetary damages, unless your injuries are categorized as serious (e.g. a life-long disability, death, etc.).

**Full Right to Recover Damages (Full Tort):** Your rights to financial compensation for injuries caused by other drivers are unrestricted. However, your insurance premium will not be reduced. Under the full tort option, you (the insured) and other members of your household may seek recovery for all medical and out-of-pocket expenses. You are also allowed to seek financial compensation for pain and suffering and other non-monetary damages for injuries caused by other drivers in a covered accident.

### **Property Damage Liability (Mandatory in PA)**

If you are found to be at fault in an accident, the following is covered:

- Damage to another person's property (e.g., fence, car, or home)
- Legal costs associated with a damage incident

The limits you see in your quote refer to the maximum amounts that will be paid per accident.

If you select limits that are too low, you could be putting your assets at risk financially. If you cause a serious injury where damages exceed your limits, you will be held responsible for the amount above your limits.

### **First Party Benefits - Combination Package**

The package, with a limit selected by you, includes Medical Benefits, Income Loss, Accidental Death, and Funeral Benefit. With most carriers, the Accidental Death and Funeral Benefit portions of the coverage are subject to \$25,000 and \$2,500 limits, respectively.

### **First Party Benefits (FPB) - Medical (Mandatory in Pennsylvania)**

\$5000 limit is the lowest available option. It covers you and your household. On a policy insuring more than one car, all vehicles must carry the same limits on FPB medical coverage.

- Related medical and surgical treatment
- Essential rehabilitative services (physical therapy, speech pathology, etc.)
- Necessary dental, psychiatric, psychological, and optometric treatment
- Ambulance and nursing service
- Required medications, medical supplies, and prosthetic devices

The coverage limits you see in your quote refer to the maximum amount that will be paid per incident.

### **First Party Benefits - Extraordinary Medical Benefits**

The coverage is designed to provide catastrophic medical coverage for the named insured and relatives living in the same household, in excess of the base Medical Benefits coverage of \$100,000. This means that Extraordinary Benefits coverage will begin once the \$100,000 limit for your medical expenses has been reached under your medical benefits coverage, and will cover your additional medical expenses up to the limit you choose.

### **First Party Benefits - Income Loss (Work Loss Benefit)**

If you purchase Income Loss coverage, the named insured and relatives residing in the same household are covered. Income Loss coverage helps you recover up to 80% of your lost earnings if you're unable to work after an insured accident. This coverage also helps pay for any expenses you may incur if you need special assistance to continue working. If you're self-employed, this coverage helps pay for a substitute to continue your work while you're recovering.

### **First Party Benefits - Accidental Death**

Accidental Death coverage provides a death benefit if a covered individual, either the named insured or a relative living in the same household, dies from accident-related injuries within 24 months of a covered accident. The coverage will pay up to the amount selected to the insured's designated beneficiary.

### **First Party Benefits - Funeral**

This coverage provides payment toward funeral expenses if either you or a relative living in the same household dies from accident-related injuries, up to the selected limit.

### **Uninsured Motorist Bodily Injury**

Your limits can be less than your limits on your bodily injury coverage, but cannot exceed them.

If you are insuring multiple vehicles, the limits you select will be applied to all vehicles. It pays up to the limit you purchased and is the maximum amount that will be paid per person, per incident. It covers the following expenses for you and passengers:

- Medical
- Lost wages
- Other general damages
- Injuries sustained in hit-and-run accidents

**Individuals without health insurance may benefit from this coverage, because if the limits chosen are inadequate, you'll be responsible for paying the additional amount.**

### **Uninsured/Underinsured Motorist Stacked and Non-Stacked**

By selecting stacking for your uninsured/underinsured motorist bodily injury coverage, you increase your limits for each of these coverages by the number of cars you're insuring.

If you were to insure 2 cars and select stacking, your uninsured and/or underinsured motorist bodily injury coverage limits of \$50,000/\$100,000 would double to \$100,000/\$200,000. Selecting the stacking option for uninsured and underinsured motorist bodily injury coverage **increases your premium.**

### **Underinsured Motorist Bodily Injury Limits**

Your limits can be less than your limits on your bodily injury coverage, but cannot exceed them. Also, if you want to carry this coverage on multiple vehicles, the limits must be the same for each vehicle. If you're injured in an accident caused by a driver who has insufficient coverage, underinsured motorist bodily injury coverage covers the following expenses:

- Medical
- Lost wages
- Other general damages
- Injuries sustained in hit-and-run accidents

Both you and passengers are covered. If the other driver involved in an accident is underinsured, this coverage typically pays any difference between what the other driver's insurance covers and what your bodily injury coverage will pay. The coverage limits you see in your quote refer to the maximum amount that will be paid per person, per incident, respectively. If the limits you purchase are lower than an accident's costs, you'll be responsible for paying the amounts over your limits, unless you're covered by health insurance.

### **Uninsured/Underinsured Motorist Stacked and Non-Stacked**

By selecting stacking for your uninsured/underinsured motorist bodily injury coverage, you increase your limits for each of these coverages by the number of cars you're insuring. If you were to insure 2 cars and select stacking, your uninsured and/or underinsured motorist bodily injury coverage limits of \$50,000/\$100,000 would double to \$100,000/\$200,000. **Stacking coverage increases your premium.**

### **Comprehensive**

**Comprehensive coverage must be included on policies that have collision coverage and it may be required if you have a loan or lease on your vehicle.**

"Comprehensive" covers damage not resulting from a collision. (e.g., damage from falling objects, fire, certain natural disasters, and vandalism, theft, glass damage, hitting an animal)

The amount you see in your quote refers to the deductible, or the portion of a claim you're responsible for paying. **A higher deductible can substantially lower the cost of insurance premiums.** If you have an older car or one in poor condition, you may not want to pay for this coverage.

### **Collision**

Repair or replacement of vehicle that has collided with other cars/objects or has rolled over. The amount you see in your quote refers to the deductible, or the portion of a claim that you're responsible for paying. **A higher deductible can substantially lower the cost of insurance premiums.** If your car is financed or leased, the finance company will probably require that you carry this coverage. If you have an older car or one in poor condition, you may not want to pay for this coverage.

### **Towing & Labor**

The coverage limits you see in your quote refer to the maximum amount that will be paid per incident, per term, respectively.

### **Rental Car Reimbursement**

This coverage pays for the cost of a rental car if you can't drive the insured vehicle due to theft or damage from an accident. Remember to compare cost to rental vehicle charges (averaged over the typical 3 year claim ratio). **Up your EMERGENCY FUND TO COVER INSTEAD.**

## Insurance Quote Comparison Chart *////* First Party Benefits = FPB

Length of the policy term: 6mnth or 1yr					
Bodily Injury Liability					
Tort Option					
Property Damage Liability					
FPB - Combination Package					
FPB- Medical					
FPB- Extraordinary Medical					
FPB- Income Loss					
FPB- Accidental Death					
FPB- Funeral					
Uninsured Motorist Bodily Injury					
Uninsured Motorist Bodily Injury - Stacking					
Underinsured Motorist Bodily Injury					
Underinsured Motorist Bodily Injury - Stacking					
Comprehensive					
Collision					
Towing & Labor					
Rental Car Reimbursement					