



Brethren Mutual Aid Agency Inc.,

An Overview of...

...Auto Insurance

If you own a car, you need auto insurance. Auto insurance (also known as vehicle insurance, GAP insurance, car insurance, or motor insurance) is insurance purchased for cars, trucks, motorcycles, and other road vehicles. Usually required by law, its primary purpose is to provide financial protection against physical damage and/or bodily injury resulting from traffic collisions and against any legal liability that may result from the use of autos. The insurance will normally cover your vehicle, the other vehicle if the accident was your fault, property damage resulting from an accident and medical claims by you or the other involved party. If you are caught driving without auto insurance, you could have to pay a fine, have your driver's license suspended and/or have your car impounded.

Auto insurance requirements vary state to state. The required minimum coverage in your state may not be enough to pay for all the damages that result from an accident. To avoid having to pay out of pocket expense, contact our office to help you determine what specific requirements you may need, as well as coverage.

Brethren Mutual Aid Agency

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THE AUTO POLICY EXPLAINED

Liability (Bodily Injury/Property Damage) – Covers your legal liability, up to the dollar limits you select, for damages caused to others in a covered vehicle accident. Liability covers you and/or family members when they are driving your car or others' cars with the owner's permission. It will usually cover an attorney to defend you in the event you are sued. For example, liability limits generally appear as three numbers – 25/20/25 or 100/300/100. The first number represents the maximum amount in thousands your company is obligated to pay for bodily injury per person. The second is the maximum that would be paid for bodily injury per claim. The third number is the maximum amount the company would pay for property damage you cause as a result of the accident.

Comprehensive – The comprehensive portion of the policy covers damages to your vehicle not caused by collision (i.e. theft, fire, vandalism and hail). It also covers situations like hitting a deer. Simply stated, comprehensive offers bumper-to-bumper peace of mind no matter what happens. When you submit a claim, a deductible can apply.

Common Exclusions

- Intentional acts
- Damage to property being transported
- Prearranged racing
- Non-owned autos provided for the regular use of the insured

Additional Coverage Options

GAP Coverage – This coverage is for vehicles that you lease or have an unpaid loan. GAP pays the difference between what you owe on your vehicle and what your insurance pays if your vehicle is declared a total loss or stolen and not recovered, less your Comprehensive or Collision deductible. Both Comprehensive and Collision coverage are required before you can add GAP to your policy. This coverage is only available if your loan or lease is held by a financial institution, not an individual.

After your Comprehensive coverage or your Collision coverage has paid you the actual cash value for your

Collision – Covers damage to your vehicle if it collides with another car or object while your vehicle is in motion or while it is parked. With collision coverage, you can repair or replace your vehicle, even if the accident is your fault. In the event of a claim, you will have to pay your selected deductible before the company will pay out for damages.

Medical Payments (Personal Injury Protection) – Provides coverage for medical care (and sometimes funeral expenses) as a result of an accident for you and for others riding in your car. It also pays for you or your family members injured while riding in another's car. Keep in mind that not all states require this coverage.

Uninsured/Underinsured Motorist– Bodily injury coverage for when the other driver is at fault and they do not have insurance or do not have enough insurance to pay damages. State laws define coverage requirements. *This does not cover property damage caused by an uninsured/underinsured motorist*

vehicle, less your deductible, GAP coverage will pay the difference between the actual cash value and any additional amount you owe under the terms of your vehicle lease or loan (except fees and charges).

Towing – Covers towing when you breakdown or have an accident.

Rental Car Coverage – Pays for a rental car if your vehicle is being repaired due to a loss that was paid for by the insurance company. This does not include rental cars for routine maintenance or any other damage that is not caused by an accident that is covered by the insurance company.

