

Insurance Terms and Definitions

Additional Interest Insured

A company or person who has been named as an additional interest insured on a policy can be liable for an accident that involves an insured person or vehicle. For example, a lienholder can be an additional interest insured.

Anti-Theft Device

There are essentially two types of anti-theft devices: passive and active. Passive devices require no action or activation and automatically arm themselves when the vehicle is turned off, the ignition key is removed or a door is shut. Active devices require some action or activation, such as pushing a button or placing a "lock" somewhere in your car. Typically with active devices, you must re-activate them every time you set them or they won't work. Keep in mind that you could get a discount for having an anti-theft device in your car.

Bodily Injury Liability Coverage (BI)

If an insured person is legally liable for an accident, BI coverage pays for injuries/death to people involved in the accident other than the insured driver. BI also pays for legal defense costs if you are sued. Certain exclusions may apply. Refer to your policy.

Comprehensive Coverage

If your insured vehicle is damaged due to an event other than a collision, Comprehensive coverage will pay for the damage. This includes damages from fire, theft, windstorm, flood and vandalism. If your vehicle is stolen, Comprehensive covers transportation and loss of use expenses when applicable.

Collision Coverage

When your insured vehicle overturns or collides with another object, Collision coverage pays for the damage to your vehicle. Collision coverage also may extend to a non-owned vehicle or one rented for personal use that is in your custody or that you are operating. Certain exclusions may apply. Refer to your policy.

Continuously Insured

Being continuously insured means your insurance coverage from an insurer or more than one insurer was in effect at all times, without a break or lapse in coverage for any reason.

Declarations Page (Dec Page)

Also known as an auto insurance coverage summary, this page is provided by your insurance company and lists the following:

- Types of coverage you have elected
- Limit for each coverage
- Cost for each coverage
- Specified vehicles covered by the policy
- Types of coverage for each vehicle covered by the policy
- Other information applicable to the policy

Deductible

A deductible is the amount you agree to pay out of pocket for damage resulting from a specific loss or accident. Generally, choosing a higher deductible will lower your premium.

Driver Improvement Course

Drivers age 55 and older can take a voluntary driver improvement course to refresh and enhance their driving skills. Taking this course may qualify these drivers for a discount if they meet eligibility requirements.

Driver Status

People can be added to policies with the following types of driver status:

- Rated - Actively drive vehicles on the policy
- Excluded - Not allowed to drive vehicles on the policy and will not be covered under your policy in the event of an accident
- Listed - Residents of the household who do not drive the vehicles on the policy (such as a roommate)

Full Coverage

"Full coverage" is a common term that people use to describe how much auto insurance coverage they have. Though there is no such thing as "full coverage," it often implies that the policy has more than just Liability coverage.

Garaging Location

A garaging location is the place you primarily park your vehicle when you're not using it. Generally, this is your primary residence.

Limits

An insurance coverage limit is selected by you and is the most an insurance company will pay for damages or injuries that apply to the coverage. Most states have laws that specify the minimum limit that must be purchased for each required insurance coverage.

Life Insurance

Life insurance is a financial safety net for your family. If you pass away, your life insurance policy will pay a lump sum of money to your beneficiaries. There are a few common types of life insurance: term, final expense and permanent.

Loan/Lease Payoff Coverage

Loan/Lease Payoff coverage, sometimes called "gap" coverage, 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.

Medical Payments (MedPay) Coverage

MedPay is an optional insurance coverage that pays for reasonable and necessary medical and funeral expenses for covered persons. These expenses must be incurred as a result of an auto accident.

Named Insured

The first person in whose name the insurance policy is issued.

Occasional Driver

A person who is not the primary or principal driver of the insured vehicle is an occasional driver.

Personal Injury Protection (PIP) Coverage

PIP is a coverage in which the auto insurance company pays, within the specified limits, the medical, hospital and funeral expenses of the insured person, people in the insured vehicle and pedestrians struck by the insured vehicle. PIP is the basic coverage implemented in no-fault automobile insurance states.

Policy Expiration Date

Your current insurance policy ends on your policy expiration date, which is found on your current policy documents, Declarations Page (Dec Page), insurance identification card or recent cancellation notice. This date should not be confused with payment due dates.

Policy Term

The length of time your policy is active and in force is your policy term.

Premium

A premium is the amount of money paid to an insurance company in return for insurance protection.

Primary Residence

A primary residence is the place where you will live for the majority of your policy term.

Primary Use

Primary use is how you mainly use your vehicle. Primary use options include to/from work, business, pleasure or farm use.

Principal Driver

The person who drives the car most often is the principal driver.

Property Damage Liability Coverage (PD)

If an insured person is legally liable for an accident, PD coverage pays for damage to others' property resulting from the accident. PD also pays for legal defense costs if you are sued. Certain exclusions may apply. Refer to your policy.

Rental Reimbursement Coverage

Rental Reimbursement provides rental car coverage if you have a claim that is covered under Comprehensive or Collision coverage. Daily rental amounts are subject to the limit purchased.

Roadside Assistance Coverage

Roadside Assistance provides services such as towing, flat tire change, locksmith service and battery jump-start to customers, who can elect the service for an additional premium if it is not already included with their insurance policy.

Salvage Titles

State laws determine if a vehicle requires a salvage title.

- Some states base salvage titles on the extent of damage a vehicle has sustained. For example, in Louisiana, damage to a vehicle must equal or exceed 75 percent of the vehicle's retail value in order for it to require a salvage title, according to state law.
- Other states, such as Florida, require a vehicle to have a salvage title if the insurance company declared the vehicle a total loss. These titles generally indicate whether the vehicle is "rebuildable" (can be repaired and driven on the road) or "not rebuildable" (must be sold for parts).
- Other states "brand" or "notate" the vehicle's title when the estimate of damages reaches a certain percentage of the vehicle's retail value (in New York, it is 75 percent), even if the vehicle has not been declared a total loss and is able to be repaired.
- Other states have no guidelines for issuing salvage titles.

Second Named Insured

The named insured or listed agent/broker on a policy may request to designate any other person listed on the policy as a second named insured. The second named insured has the same coverage under the policy as the named insured.

SR-22

An SR-22 is a document required by the court that demonstrates proof of financial responsibility for persons convicted of certain traffic violations.

Uninsured Motorist Coverage (UM)

If a driver or owner of a vehicle does not have insurance and is legally liable for an accident, you can use UM coverage for injuries, including death, that you, your resident relatives, and occupants of your insured vehicle sustain, up to the limits you select. Certain exclusions may apply. Refer to your policy.

Underinsured Motorist Coverage (UIM)

If a driver or owner of a vehicle is legally liable for an accident but does not have enough insurance, you can use UIM coverage for injuries, including death, that you, your resident relatives, and occupants of your insured vehicle sustain, up to the limits you select. Certain exclusions may apply. Refer to your policy.

Uninsured/Underinsured Motorist Property Damage Coverage (UMPD)

If driver or owner of a vehicle is legally liable for an accident but does not have insurance or does not have enough insurance, you can use UMPD to cover damage to your insured vehicle, up to the limits you select. In some states, UMPD is available as an alternative to Collision coverage. Certain exclusions may apply. Refer to your policy.

Vehicle Identification Number (VIN)

The Vehicle Identification Number (VIN) for your vehicle is usually found on the driver's side of your dashboard, the vehicle registration or the title. The VIN is a combination of 17 letters and numbers that can be used to identify the make, model and year of a car.