

Professional Insurance Programs

Automobile Insurance Coverage Basics



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Bodily Injury & Property Damage Liability (Mandatory) – Pays when an insured person is legally liable for bodily injury or death, and property damage, caused by your vehicle or your operation of most non-owned vehicles.

Automobile Liability for Bodily Injury and Property Damage is available in 2 forms – Split Limit Coverage and Combined Single Limit Coverage.

Split Limit Coverage – means that there are specific limits for each part of the liability. For example, 100/300/50 is a common Split Limit coverage to see on a declarations page. If you had this coverage, it would mean that there is \$100,000 per person and up to \$300,000 per accident available for Bodily Injury Liability and up to \$50,000 per accident available for Property Damage Liability. If you caused an accident and 3 people were injured at \$100,000 each and a vehicle damaged at \$30,000, the total liability for that accident would be \$330,000. Your policy would pay all the costs because they do not exceed the person or per accident limits.

Combined Single Limit Coverage – means that there is one limit for both Bodily Injury and Property Damage for an accident, for example \$300,000. If you caused an accident and 3 people were injured at \$100,000 each and a vehicle damaged at \$30,000, the total liability for that accident would be \$330,000. Your policy would pay \$300,000 and you would be left responsible for the remaining \$30,000 (unless you had a Personal Umbrella policy as well).

Medical Payments (Optional) – Pays certain medical and funeral expenses resulting from a motor vehicle accident. This coverage protects anyone occupying your vehicle. It also covers you and relatives who reside in your household while in other vehicles or if struck as a pedestrian.

Uninsured Motorist Bodily Injury (Mandatory) – Protects you, your resident relatives, and occupants of any covered vehicle if any of you sustain bodily injury, including any resulting death, in an accident in which the owner or operator of a motor vehicle who is legally liable does not have insurance.

Underinsured Motorist Bodily Injury (Optional) – Protects you, your resident relatives, and occupants of any covered vehicle if any of you sustain bodily injury, including any resulting death, in an accident in which the owner or operator of a motor vehicle who is legally liable does not have enough insurance. The at fault party's bodily injury limits must be less than your UIM limits before the coverage applies.

Comprehensive (Other Than Collision) – Pays for loss or damage to your covered vehicle caused by any event other than collision. This includes damages due to events such as fire, theft, windstorm, flood, and vandalism. There may be coverage to pay for transportation and loss of use expenses under this coverage if your motor vehicle is stolen. This coverage is subject to a deductible that you choose and is usually based on the Actual Cash Value of the vehicle at the time of the loss.

Collision – Pays for loss to your covered vehicle when it collides with another object or overturns. This coverage is subject to a deductible that you choose and is usually based on the Actual Cash Value of the vehicle at the time of the loss.

Deductible – The amount a policyholder must pay out of pocket first, for a covered claim.