

Auto FAQs

QUESTION: I don't have physical damage (collision or comprehensive) coverage on my motor vehicle liability policy. Am I still covered for damages to a vehicle I rent while on vacation?

ANSWER: Yes, in New York, rental vehicle coverage – for 30 days or less in the U.S. or Canada -- is included in motor vehicle liability insurance policies that:

- Insure fewer than five vehicles.
- Are issued to an individual, not a business.

Q. What is the difference between collision and other-than-collision (comprehensive) coverage?

A. Both cover damage done to your car. Collision covers damage to your car that occurs when it collides with something, whether you hit an object, like a tree, or another car.

Other-than-collision, also known as comprehensive, provides coverage for most other types of damage or loss such as vandalism, theft, collision with a bird or an animal, fire and storm damage.

Q. Is my car covered if someone borrows it?

A. Yes, the same coverage applies; provided you have given your permission for the driver to operate your vehicle.

Q. I have "rental reimbursement" coverage on my policy. What does this cover?

A: "Rental reimbursement," also known as "transportation reimbursement" or "extended transportation" coverage, is offered as an option by many insurers. It works with physical damage coverage for the cost of renting a vehicle in case your own vehicle is temporarily out of service for a covered loss, until your vehicle can be repaired. This type of coverage is automatically provided in the case of a theft loss under comprehensive coverage.

Q: What are split limits?

A: Split limits are the liability limits of your automobile policy. Split limits may appear as 50,000/100,000/50,000. This means that you have \$50,000 in bodily injury coverage per person, \$100,000 bodily injury coverage per accident and \$50,000 in property damage coverage. For example: John Doe's car skids on ice and hits another car. Passengers in the other car are injured. If the passengers were to file lawsuits, the most the insurer would pay would be \$50,000 per person, and no more than \$100,000 for all passengers. The property damage portion of John's policy would cover the damage -- up to \$50,000 -- that he caused the other vehicle.

Q: What is a deductible?

A: Deductible is the amount you pay for a covered loss before the insurance company begins picking up the bill. For example, if you owned a policy with a \$200 deductible and you suffered

a covered loss totaling \$1,000, you would pay the first \$200 and the insurance company would pay the remaining \$800. If the loss were only \$200, you would pay the entire amount and the insurance company would pay nothing.

Q: What is no-fault insurance?

A: If you are involved in an auto accident, your insurance company pays you, your passengers or a pedestrian injured by your car for financial losses like medical expenses and lost wages due to the accident, regardless of who is at fault.

Q: What are the limits of basic no-fault benefits?

A: \$50,000 per person consisting of the following basic no-fault benefits:

- All necessary doctor and hospital bills, and other health service expenses payable according to fee schedules established by the New York State Insurance Department;
- 80 percent of lost earnings up to \$2,000 per month, for up to three years.
- Up to \$25 a day, for a year, for other reasonable and necessary expenses the injured party has had because of an injury resulting from the accident, such as the cost of hiring a housekeeper or necessary transportation to and from a health provider.

Additional no-fault benefits can be purchased

Q. What is uninsured/underinsured motorist coverage?

A. Uninsured motorist coverage pays for injuries sustained by you and your passengers caused by an uninsured motorist. Underinsured motorist coverage pays when you or your passengers are injured as a result of negligence by someone with insufficient liability insurance to cover your losses.