









- How important is experience?
  - Motor vehicle accidents
    - #1 reason for death for 15 20 year olds

- -Teenagers:
  - •5% of all drivers
  - 14% of all drivers in fatal accidents

- •21% of teenage drivers' fatalities = .08 % BAL
- 76% of teenage drivers' fatalities = no seatbelt

#### 2 out of 3 teenage drivers in fatal crashes = male



- Understand the Financial Responsibility Law and how it applies to you:
- This law requires you to prove that you can pay for damages you cause that result in injury, death or property damage

- Insurance is not mandatory in Iowa
- If you do not have insurance, the state will ask you to put up cash or a bond, to show you are a financially responsible person.

- Your license is automatically suspended if you can not show financial responsibility.
- Insurance is being financially responsible



#### Explain how insurance works:

A. Premium:

 Specific amount a policy holder pays for insurance coverage.

B: Policy:

 A contract or agreement between a vehicle owner and an insurance company specifying the amount and type of insurance coverage for which a premium is paid.

C: Deductible:

 Amount a policy owner pays for damages in a collision.

D:Claim:

• Request for payment after an accident.

- E: Settlement:
- Agreed amount paid after an accident.

F: ACV

• Actual Cash Value

G:"Blue Book"

 Book that lists the average price paid to dealers for various makes and models of used cars and trucks.



H: Garnishment:

Money taken from wages to pay toward a settlement.

- I. Depreciation:
- Decrease in value of a car as a result of it's increasing age.

- J. Negligence:
- Omission of any reasonable precaution.

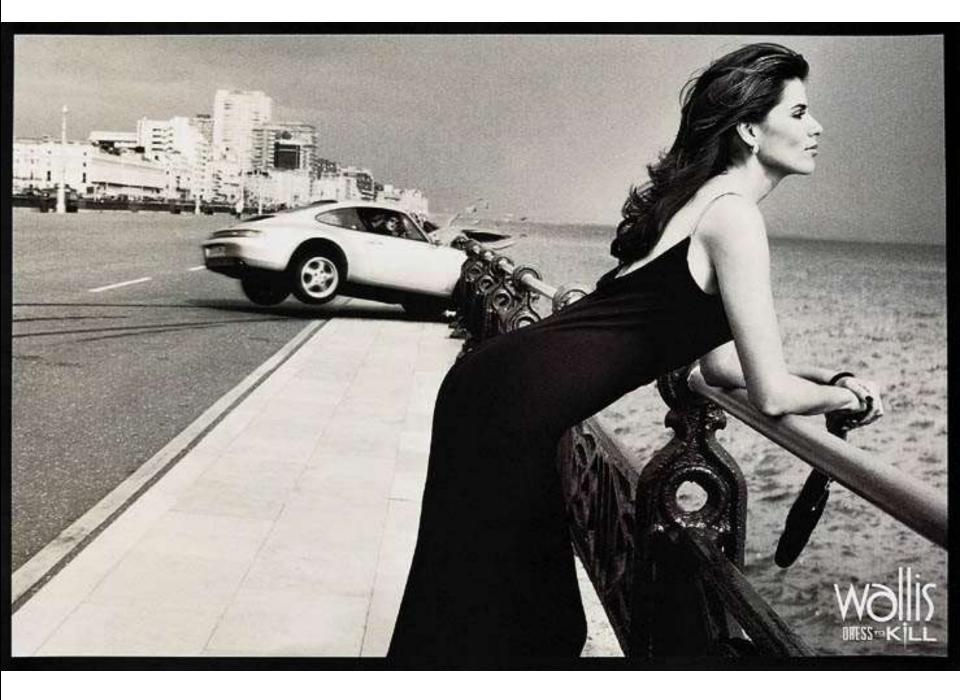


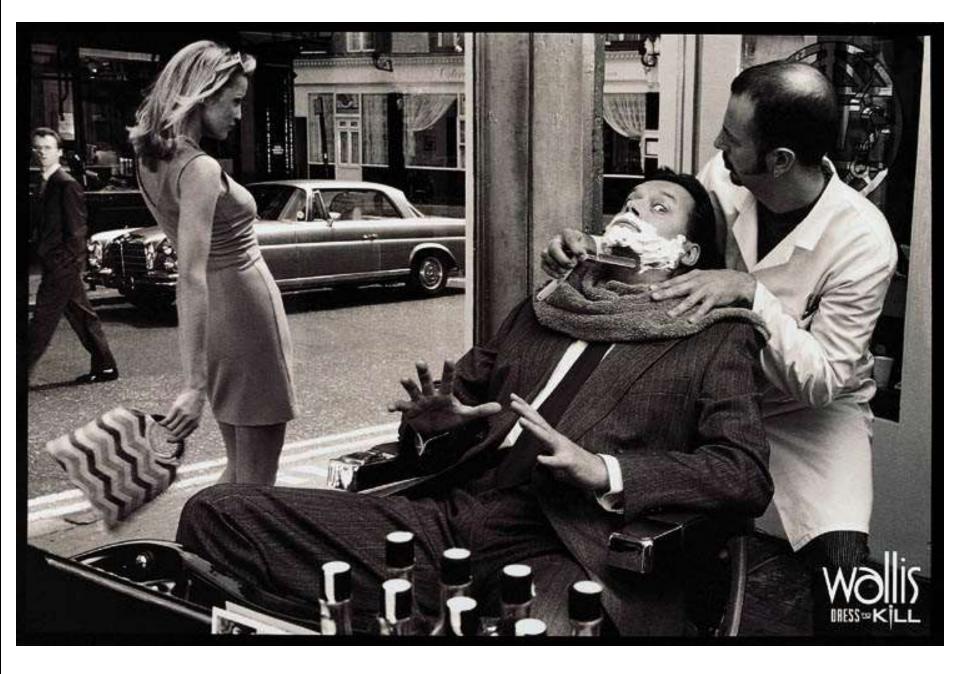
- Explain how insurance rates are determined:
- Collision and violation record
- Age of principal driver

- Miles driven
  - Gender
    - 85% of alcohol related accidents = male driver
- Marital status

- Where driver lives
- Type of vehicle
  - Claim record

# Why do males have more accidents than females?









Insurance - 04

Identify ways that premiums can be discounted:

- 3 years of no collisions or violations
- Multi-car

- Multi-policy
- Passive restraints
- Driver Education (B)

- GPA of 3.00 or above
- Anti-theft devices
- Anti-lock Brakes

### Insurance - 05

Understand the following types of insurance, what they cover, and some dollar amounts associated with each:

A. Liability Insurance (owner is at fault):

- Bodily Injury Liability (BIL)
- Property Damage Liability (PDL)

BIL:

• Pays claims against owner if someone is killed or injured and the owner is at fault.

BIL:

- Covers:
  - Hospital and doctor bills
  - Legal fees
  - Court costs
  - Loss of wages

BIL:

- Minimum
  - \$20,000 per person
  - \$40,000 per accident

- PDL:
  - Pays claim against owner if property of others is damaged and owner is at fault.

- PDL:
  - Covers
    - Other cars and possessions in car
    - Damage to houses, fences etc.
    - Telephone poles, traffic lights etc.







- PDL:
  - Minimum
    - \$15,000

- B. Automobile "Material" or "Physical Damage" Insurance
  - Protects your car against damage you or others might do to it.
    - Collision
    - Comprehensive

- Collision
  - Pays cost of repairing or replacing owner's car when owner is at fault
  - Repair or replacement of any car driven by owner or with owner's permission

- Collision
  - Insures for depreciated value of car
  - Deductible to reduce premium
  - Important for newer cars

- Comprehensive
  - Pays cost of repairing or replacing owner's car

- Comprehensive
  - Covers
    - Fire
    - Earthquake
    - Storm damage
    - Riots
    - Theft and Vandalism



- Comprehensive
  - Insures for depreciated value of car
  - Deductible to reduce payment
  - Important for newer cars

- C. Uninsured Motorist
  - Pays for injuries to you and your passengers when your entitled but unable to collect
  - Minimum is same as BIL

- Uninsured Motorist
  - Covers
    - Hospital and doctor bills
    - Legal fees
    - Court costs
    - Loss of wages

D. Underinsured Motorist

• Pays you for your injuries you were entitled to, but couldn't because the person was underinsured.

- E. Medical Payments
  - Pays for immediate medical costs for you and your passengers injured in any collisions regardless of fault.

- F. Towing and labor costs
  - Pays cost of towing or minor repair to a disabled car
    - Dead battery
    - Out of gas
    - Flat tire

#### WHAT YOUR POLICY WILL COVER

You & Your Passengers	Your Car	Their Car	People Outside Your Car
Medical Payments	Collision	Property Damage Liability	Bodily Injury Liability
Uninsured Motorist Protection	Comprehensive		
Underinsured Motorist Protection	Towing		

- Explain who is put on assigned risk (SR-22) and how much does it cost:
- Type of insurance that provides minimum BIL and PDL for high risk drivers (or families) for a high premium

 After a specified number of years of collision free and violation free driving, the driver can apply for standard insurance coverage at regular rates.

- Explain the principle of no-fault insurance, it's advantages and disadvantages:
- The insurance company provides its policy holder coverage of medical costs regardless of who is at fault

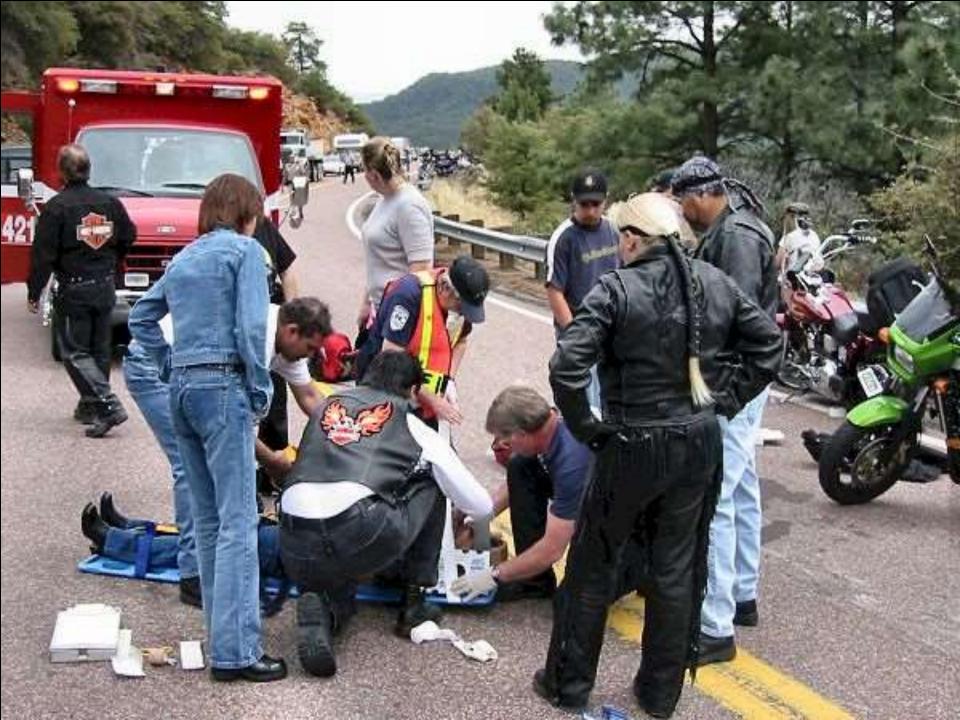
# Insurance - 08

Understand what constitutes a reportable accident in Iowa:

- Personal injury
- Death
- \$1,000 or more in property damage
- You have 72 hours to make the report

#### Insurance - 09

# Know what to do at the scene of an accident:



- Stop Immediately
- Aid the injured
- Prevent further damage or injury
- Send for police

- Exchange information
- Record witnesses names and addresses
- Give police the facts
- See a doctor if necessary
- File necessary reports

