

Answer: Generally speaking, when moving to a more populous area, you can expect your auto insurance rates to rise somewhat because there are more automobiles on the road, and the likelihood of accidents goes up. The cost of homeowner's insurance, on the other hand, could possibly go down slightly because in a more populated area, your home may be closer to firefighting services. However, this disadvantage may be offset by higher home values in the bigger city.

Question: Why are car insurance rates higher for young men than for young women?

Answer: Young male drivers generally do pay more than young females for auto insurance. Insurance companies use statistical evidence to determine which groups, such as young male drivers are most likely to have accidents and file claims. Statistics show that drivers under age 25, particularly males, are much more likely to be involved in accidents: 15% of all licensed drivers are under age 25, yet this group accounts for 29% of all accidents, and about 26% of all fatal accidents. The accident rate is much lower for young female drivers, so they are charged less for auto coverage.

Question: I work part-time delivering pizza. Does my regular auto insurance cover me while I am working?

Answer: Most personal auto policies exclude coverage when the automobile is used to carry property for a fee. Some companies have denied claims based on this exclusion.

Before agreeing to use your car for business purposes, find out what your insurance covers.

CUTTING COSTS

One way to lower the cost of your auto insurance policy is to specify a higher deductible.

With deductibles, a policyholder agrees to absorb small losses up to a certain amount. For instance, if you have a \$200 deductible on your automobile collision coverage, you would pay the rest, up to the limits of your policy.

Another way to cut costs is with good student discounts. Insurance companies are required to offer a reduction in liability, first party medical, and collision rates for drivers who qualify as "good students" by meeting one of the following criteria: Ranked in the upper 20% of their class, have a "B" average or better, a 3.0 average or better, or make the Dean's List or Honor Roll. Other conditions may apply.



IMPORTANT NUMBERS

Consumer Services	404-656-2070
Toll-Free	800-656-2298
Arson Hotline	800-282-5804
Fraud Hotline	800-656-2298

www.oci.ga.gov

Email: consumer@oci.ga.gov



Commissioner Ralph T. Hudgens' Consumer Services Division is available Monday through Friday, 8 a.m. until 7 p.m. to assist you with your insurance questions and concerns.



CONSUMER GUIDE FOR AUTOMOBILE

RALPH T. HUDGENS
INSURANCE & SAFETY FIRE COMMISSIONER

www.oci.ga.gov

WHATS REQUIRED IN GEORGIA

Liability insurance, which pays for damage you do to property or other people if you are at fault, is still required. The basic limits are 25/50/25. The first two figures refer to bodily injury liability limits, which apply when you are held legally liable for injury or death to pedestrians, persons riding in other cars, or guests in your car.

The third figure refers to property damage liability, the maximum your insurance company will pay in settling claims against you arising from damage to property of others (such as damage to the other driver's car).

Specifically, the numbers 25/50/25 mean coverage up to \$50,000 for all persons injured in an accident, subject to a limit of \$25,000 for one individual, and \$25,000 coverage for property damage.

This is the minimum liability protection required by Georgia law; higher limits of coverage are available from most insurers.

Note that the liability coverages required by law cover only damage the policyholder does to others, or to the property of others. To pay for damage to your car, you can purchase collision coverage, to cover damage resulting from an accident; or comprehensive insurance, to cover your vehicle for damage from other causes,

including fire, theft, glass breakage, vandalism, flood, falling objects, explosion, windstorm, hail, earthquake, riot, or collision with an animal. To cover injuries suffered by you or your passengers in an auto accident, you can purchase Medical Payments coverage in varying amounts.

Question: Is it better to keep my auto insurance with the same company as my homeowners policy?

Answer: Some companies offer discounts when you have automobile and homeowner's with them. The company may cover house, auto, boat, etc., under one policy. However, there may be situations where you can save money by spreading your coverage among several companies. It is your choice. Please shop carefully for all of your insurance needs.

Questions: My agent gave me a quote but the insurance company is charging me a higher premium than we originally discussed. Must the company honor the agent's quote?

Answer: No, a quote in the insurance market represents an offer to sell an insurance contract subject to compatibility of that offer with the carrier's filings with this department. An insurance company may not collect a premium for less than or more than this amount.

Question: What can I do if I feel my insurance company has unfairly non-renewed my auto policy?

Answer: If you feel you have been unfairly non-renewed, you may request a review before the Insurance Commissioner or his designee. This request must be in writing and must be made within 15 days of the non-renewal notice. In your written request, state why you believe the non-renewal is unfair.

Questions: Other than my driving record and type of car, what other factors do insurance companies use to determine my premiums? Do all insurance companies look at the same things?

Answer: Most insurance companies look at driving records, type of car, use of vehicle, location of vehicle, and age of driver.

Question: What happens if I am in an accident with someone who doesn't have coverage, and the other driver is at fault?

Answer: To protect yourself in the event you have an accident with one of these illegal motorists, you can purchase uninsured motorists coverage. You will be paid for damages just as if the other driver was covered.

Question: I have been with my auto insurance company for more than five years. I have only one claim where the company paid \$1,400 because of a collision I had with a deer. My company sent a non-renewal notice and offered to put me in another company which it owned, but which had higher rates. Can my company non-renew me for this one claim?

Answer: No. Georgia law states if you have been with your insurance company for at least three years, you cannot be non-renewed because of just one claim, even if the accident was your fault.

Question: I recently purchased a new car. When I applied for the loan, I was told I would have to purchase comprehensive and collision on the new car, as well as what's required by law. Is this legal?

Answer: It is not unusual for a lender to require comprehensive and collision on a new vehicle. Your new car serves as the lender's collateral, so it is in the lender's interest to have it financially protected in case of accidents.

Question: When I was buying my auto insurance, my insurance agent said I was with a "non-standard" insurance company. What is a "non-standard" company?

Answer: A "non-standard" automobile insurance company should write auto insurance for those drivers who have difficulties in obtaining insurance through normal means. "Non-standard" companies generally charge higher premiums.

Question: I recently moved from Albany to Atlanta. I kept the same insurance company for my car and home, but my premiums went up. Shouldn't these rates stay the same?