

### Know Your Options.

Many consumers obtain insurance from agents who have contractual relationships with a particular insurance company to sell its products. Insurance is also available from brokers, who do not have such arrangements but work with agents to obtain insurance for their customers. Independent agents can sell the insurance products of many companies, and therefore may provide additional options for their customers. Coverage can also be purchased directly from many insurance companies without a broker or agent, potentially at lower cost. Insurance companies, brokers and agents are listed in the yellow pages as well as on the internet.

### Consider Higher Deductibles

A deductible is the amount of money paid before a claim can be filed for reimbursement. Higher deductibles on collision and comprehensive coverage can reduce insurance costs substantially. However, in order to make a claim, you must pay more before your coverage kicks in. Therefore, this option should not be considered unless you can afford a large lump sum payment. If the car is financed through a bank, collision and comprehensive coverage will likely be required.

### Narrow Coverage on Older Cars

Consider eliminating collision or comprehensive coverage on cars with little value, because claims payments for such vehicles might not substantially exceed the insurance cost and deductible amount.

### Look for Discounts

When comparison shopping, take advantage of discounts for motorists who drive less than a predetermined number of miles; have anti-theft devices, anti-lock brakes and other safety devices; have no accidents in three years; complete driver training courses; are students with good grades, and/or purchase more than one policy from the same company. Also, ask your insurance company, broker, or agent about other available discounts.

### GET HELP

The Department of Financial Services has no authority over insurance companies that are not licensed in New York.

To see if an insurance company is licensed in New York, visit [www.dfs.ny.gov](http://www.dfs.ny.gov) or call us at **800-342-3736**.

You can also contact us for help understanding the terms of a policy or to file a complaint against a company or agent.



### What You Need to Know About...

# PURCHASING AUTOMOBILE INSURANCE

This guide is provided for informational purposes only and does not constitute legal advice.

[www.dfs.ny.gov](http://www.dfs.ny.gov)  
**(800) 342-3736**

Important information to consider before, during and after shopping for or purchasing life insurance.

This guide provides New York consumers with important information about auto insurance. It explains New York State requirements for insurance coverage and shopping tips that may help you reduce your insurance costs.

## **AUTOMOBILE INSURANCE REQUIRED IN NEW YORK STATE**

To register your car, you are required by New York State law to purchase the following minimum automobile insurance:

**No-Fault or Personal Injury Protection** covers medical expenses and lost earnings for the driver and passengers injured in, or a pedestrian injured by, your car up to \$50,000 per person. It is designed to pay promptly regardless of who was at fault.

**Liability** covers expenses associated with harm you cause to other people and their property in any car you drive with the owner's permission. Minimum limits are:

- \$25,000 for bodily injury (not resulting in death) sustained by any one person in any one accident;
- \$50,000 for bodily injury (not resulting in death) sustained by two or more persons in any one accident;
- \$10,000 for damage to another party's car or property.

Together, these minimum liability limits are often referred to as 25/50/10.

**Uninsured Motorists Coverage** covers expenses associated with injuries you, your family, or your passengers may suffer in a hit-and-run accident or in an accident with an uninsured vehicle.

Coverage up to \$25,000 is provided for one person and \$50,000 for two or more persons in any one accident.

## **OPTIONAL AUTOMOBILE INSURANCE IN NEW YORK STATE**

You may want to consider more than the minimum coverage to protect yourself from the potential cost of high repair bills, medical expenses and lawsuits. In addition to required insurance, you may want to purchase optional auto insurance coverage for:

**Bodily Injury Liability** provides additional protection in case of a lawsuit resulting from an auto accident.

**Property Damage Liability** provides additional coverage of the cost of automobile replacement and/or repair. Some insurers offer policies with combined limits for both bodily injury and property damage liability.

**Collision Coverage** provides coverage for damage to your car caused by a collision, regardless of fault.

**Comprehensive Coverage** provides coverage for damage to your car from all causes, other than a collision, regardless of fault.

**Additional No-Fault Benefits** provides additional coverage over the basic \$50,000 of no-fault benefits covered by law.

**Supplementary Uninsured Motorist Coverage** provides additional coverage for bodily injury protection against actions of an uninsured/underinsured or hit-and-run motorist.

## **SHOPPING FOR AUTO INSURANCE**

The cost of auto insurance is determined by a number of factors. Some factors are beyond your control (e.g., age, gender), others reflect lifestyle decisions (e.g., vehicle usage and residence), and others are completely within your control (e.g. type of vehicle insured and driving record). Listed below are a number of things you can do to lower your automobile insurance costs.

### **Before Buying a Car**

When shopping for a new or used car, consider the cost of insurance for that particular vehicle. High-performance cars, luxury automobiles, cars that are expensive to repair, and cars that are favorite targets of thieves, usually cost much more to insure than other vehicles. Consider purchasing a vehicle with anti-theft devices and safety features such as anti-lock brakes and passive restraint systems to protect you and your passengers and to be eligible for certain discounts.

Contact your insurance company to determine the cost of insuring a particular vehicle before making your final purchase decision.

### **Know What Coverage You Need**

Before shopping for auto insurance, familiarize yourself with the coverage required by New York State (described above), as well as the other options available.

### **Comparison Shop**

Prices for the same coverage can vary significantly among companies. Get price quotes from several companies. When comparing prices, be sure to compare coverage of the same type. In addition, talk to a number of insurers to assess the quality of service.