

Travelers PI FAQs

AUTO FAQs

Written/Edited by Kelly L'Heureux
02/10/2017

POLICY BASICS

What is auto insurance, and why do I need it?

Auto insurance is designed to protect you and everyone who shares the road from the potentially high cost of accident-related and other damages or injuries. It is a contract between you and your insurance company in which you pay a certain amount — or “premium” — to the insurance company in exchange for a set of coverages you select.

A basic auto insurance policy is legally required for drivers in all states, although the mandatory minimum coverage and policy limits will vary. If you finance or lease your vehicle, your lender may also require specific car insurance coverages and limits.

Beyond legal requirements, carrying car insurance is a smart decision. If you cause an accident or get into one with an uninsured or underinsured driver, you may be held responsible to cover related expenses, such as car repairs, property damage, medical bills, lost wages, legal fees and more. Without the proper coverage, your financial well-being may be at risk.

Working with an agent to create an auto insurance policy that fits your individual needs and budget can protect you, your loved ones and your assets in the aftermath of an accident.

Embed or link to video - IDM 10: Understanding Auto Insurance

What does auto insurance cover?

It depends on your state, your insurance company and the coverage options you choose. Since bodily injury and property damage liability insurance is required for all drivers, at a minimum your policy should cover vehicle and property damage, injury-related expenses and legal fees for *other* people involved in an accident you cause, up to the state-mandated policy limits.

You and your car, however, are not automatically protected by the minimum coverage requirements. To get the most complete protection for your individual needs, discuss available coverage options with your insurance agent.

Who does auto insurance cover / needs to be on my policy?

Your auto insurance coverage automatically applies to any driver listed on your policy which, in most states, means all licensed drivers living in your house.

Your policy may offer some protection for licensed drivers not listed on your policy who you occasionally let drive your car, such as:

- Extended family (visiting grandparent, parent, aunt/uncle, niece/nephew)
- Friends (sharing shifts on a road trip, borrowing while own car is broken down)
- Boyfriend/Girlfriend (who doesn't live with you)

Check with your insurance agent to learn more about who needs to be included and who is covered on your policy.

How much coverage do I need?

At a minimum, drivers must carry bodily injury and property damage liability coverage at the state-mandated limits to cover vehicle and property damage, injury-related expenses and legal fees for *other* people involved in an accident you cause.

Policy options beyond the minimum state requirements are available, and can offer more complete protection. It is important to carefully consider your specific circumstances, including your risk tolerance and budget, then work with your insurance agent to create a policy that fits your needs. Be sure to discuss the following popular coverage options with your agent. Our Auto Coverage Guide can help, too.

Commented [KL1]: <http://www.360financialliteracy.org/Topics/Insurance/Cars-and-Auto-Insurance/State-by-State-Minimum-Coverage-Requirements>

or
<https://www.nerdwallet.com/blog/insurance/car-insurance/>

or
<https://www.travelers.com/personal-insurance/auto-insurance/coverages-by-state.aspx>

Commented [KL2]: <https://www.travelers.com/FindAgent/>

Commented [KL3]: <http://www.360financialliteracy.org/Topics/Insurance/Cars-and-Auto-Insurance/State-by-State-Minimum-Coverage-Requirements>

or
<https://www.nerdwallet.com/blog/insurance/car-insurance/>

or
<https://www.travelers.com/personal-insurance/auto-insurance/coverages-by-state.aspx>

Commented [KL4]: <https://www.travelers.com/FindAgent/>

Commented [KL5]: <https://www.travelers.com/FindAgent/>

Commented [KL6]: <http://www.360financialliteracy.org/Topics/Insurance/Cars-and-Auto-Insurance/State-by-State-Minimum-Coverage-Requirements>

or
<https://www.nerdwallet.com/blog/insurance/car-insurance/>

or
<https://www.travelers.com/personal-insurance/auto-insurance/coverages-by-state.aspx>

Commented [KL7]: <https://www.travelers.com/FindAgent/>

Commented [KL8]: <https://www.travelers.com/personal-insurance/auto-insurance/index/learnaboutcoverages.html>

TO COVER

Repair or replacement of your own vehicle

Towing and/or repair of your vehicle onsite after an accident or breakdown

Rental car while yours is being repaired after an accident or incident

Your own medical expenses after an accident or incident

Accident-related expenses if the driver who caused the accident has no insurance or inadequate coverage

ASK YOUR INSURANCE AGENT ABOUT

Collision Coverage
Comprehensive Coverage
New Car Replacement
Gap Insurance

Towing & Labor Coverage
Roadside Assistance

Car Rental Reimbursement

Personal Injury Protection (PIP)
Medical Payments Coverage
Uninsured/Underinsured Motorist Coverage

Uninsured/Underinsured Motorist Coverage

Commented [KL9]: Thought this might be a nice way to upsell coverage, but if you think it's too long, can delete and do a quick re-write on the paragraph above.

If you do keep, please add any additional, relevant coverage options as applicable – intentional broad recommendations, designed to get conversation started between consumer and agent.

Why should I choose Travelers for auto insurance?

Choosing an auto insurance policy that fits your needs starts with choosing the right insurance company.

Travelers has been an insurance leader, committed to keeping pace with the ever-changing needs of our customers, for over 160 years. As one of the nation's largest casualty companies, we offer a variety of competitive policy options and packages to ensure you get the right coverage at the right price. Our highly-qualified agents are available to help you create a policy that fits your needs and budget.

We also understand that having insurance is about more than just protecting your vehicle. It is about making the process after any incident as simple and stress-free as possible. We're here to support our customers and their families on the road to repair and recovery, every step of the way — with fast, efficient claim services and insurance specialists available 24 hours a day, 365 days a year.

Commented [KL10]: <https://www.travelers.com/FindAgent/>

How do I get an auto insurance quote?

Getting an auto insurance quote from Travelers is easy. Just contact one of our agents or use our online quoting tool to start creating a policy that offers the protection you need at a price you can afford.

Commented [KL11]: <https://www.travelers.com/FindAgent/>

Commented [KL12]: Not sure where best link is here

Will my policy automatically renew, or do I have to reapply for coverage?

It depends. Most auto policies renew automatically every six months. We will notify you about any policy or premium changes in advance.

It is important to review your coverage needs with your insurance agent on an annual basis, or whenever there is a major change in the status of your home or personal belongings (e.g. you make an addition or purchase a valuable item), too. This will help ensure your policy remains adequate for your needs and budget.

Commented [KL13]: Link to IDM 9: Why do Auto Prices Change video

Commented [KL14]: <https://www.travelers.com/FindAgent/>

How and when can I change coverage and/or limits on my current policy?

You can update your coverage option and policies limits anytime — online at MyTravelers.com or by speaking to your agent. Note that making changes to your policy can affect your premium. We will notify you and adjust your payment plan accordingly to reflect these changes once your policy is updated.

Commented [KL15]: <https://www.travelers.com/FindAgent/>

Remember: it is important to review your coverage needs with your insurance agent on an annual basis, or whenever there is a major change in the status of your home or personal belongings (e.g. you make an addition or purchase a valuable item), to ensure your policy remains adequate for your needs and budget.

Commented [KL16]: <https://www.travelers.com/FindAgent/>

What is Umbrella insurance, and how does it apply to my auto policy?

Umbrella insurance is a separate, personal liability policy that kicks in to cover costs where your auto insurance leaves off.

The cost of damages for which you may be personally responsible after a serious accident or incident can quickly add up to exceed the limits on your policy. Umbrella insurance provides

extra protection in these cases, and is a valuable addition to any insurance portfolio, particularly if you have many assets to protect. Talk to your agent to see if an umbrella policy is right for you.

Embed or link to IDM 1: Understanding Umbrella Insurance

Commented [KL17]: <https://www.travelers.com/FindAgent/>

PREMIUM PRICING & DISCOUNTS

How does my credit score affect the price of my auto policy?

Many insurance companies use credit-based scores to help determine a customer's insurance premium. Extensive research shows a correlation between credit and insurance claim histories — specifically, that certain patterns in credit history are a good indicator of how likely a customer is to file a claim.

Information from your credit report (such as payment history, outstanding debts, bankruptcies and more) and other factors (such as the ages of the drivers on your policy and prior claim history) are used to determine your "insurance score." Generally speaking, customers who have higher insurance scores and no prior claims qualify for better premium prices.

Your privacy is important to us.

We use all necessary physical, electronic and procedural safeguards to protect any information we have about you — and your agent will not have access to your credit-based insurance score.

What discounts are available, and how can I add them to my policy?

Savings are commonly found in Safe Driver, Multi-Policy, Multi-Car, Good Student and [other discounts](#) for those who qualify. Additional discounts may be available if you are insuring a new or hybrid/electric car, or own a home. How and when you pay can affect your premium, too — discounts may be available if you pay in full, by electronic funds transfer (EFT) or by payroll deduction, as well as if you pay on time.

Ask [your agent](#) about these and other incentives to ensure you are getting all discounts for which you are eligible.

What can I do to lower the cost of my auto insurance premium?

The cost of insurance partly depends on the coverages, deductibles and policy limits you choose. It is also based on your "insurance score" — a calculation used to determine the likelihood that you will be making a claim in the future. Factors such as the age, gender, driving record and credit score of the drivers on your policy will also help determine the price of your premium.

Here are a few ways to ensure you are getting the best price for your policy:

- *Talk to [your agent](#).* Make sure you have the right policy for your individual needs, and that you are getting all the discounts for which you are eligible.
- *Drive safely.* Savings are often available to safe drivers. Staying accident, violation and claim free can translate to lower premiums down the road.
- *Bundle your policies.* Purchasing your auto as well as homeowners, condo, renters, boat or umbrella insurance through Travelers may qualify you for our multi-policy discount.
- *Improve your credit score.* The best way to do this is to pay your bills on time. Additional recommendations for improving your credit score are available from the [American Insurance Association](#).
- *Try our [Insurance Score Resource Center \(ISRC\)](#).* This resource is designed to assist customers facing medical issues, divorce or job loss that could affect their credit-based insurance score, and ultimately premium price.

Can I get a discount if I have more than one policy with Travelers?

In most cases, yes. Buying your home, condo, renters, boat or umbrella insurance together with your auto coverage can save you up to XX% on your policy premium. Ask [your agent](#) about our [Multi-Policy Discount](#).

Can I get a discount if I insure more than one car with Travelers?

In most cases, yes. Insuring two or more cars with Travelers can save you up to XX% on your auto insurance policy. Ask [your agent](#) about our [Multi-Car Discount](#).

What is a deductible, and how does it affect my auto insurance premium?

A deductible is the amount of money you must pay out of your own pocket before your auto insurance kicks in. Deductibles only apply to certain coverages, such as comprehensive and collision coverages, and typically range from \$100 to \$1,000. Generally speaking, the higher your deductible, the lower your premium.

Commented [KL18]: <https://www.travelers.com/personal-insurance/auto-insurance/discounts-advantages.aspx>

Commented [KL19]: <https://www.travelers.com/FindAgent/>

Commented [KL20]: <https://www.travelers.com/FindAgent/>

Commented [KL21]: <http://www.aiadc.org/>

Commented [KL22]: link to applicable page/site (couldn't find myself)

Commented [KL23]: <https://www.travelers.com/FindAgent/>

Commented [KL24]: <https://www.travelers.com/personal-insurance/auto-home-insurance-discount.aspx>

Commented [KL25]: <https://www.travelers.com/FindAgent/>

Commented [KL26]: <https://www.travelers.com/personal-insurance/auto-insurance/discounts-advantages/multi-car-discount.aspx>

To keep monthly premiums low, drivers often opt for higher deductibles. But it is important to choose a deductible you can afford in the event of a loss. [Contact your agent](#) for more information about the deductible options available to you.

Commented [KL27]: <https://www.travelers.com/FindAgent/>

What is a policy limit of liability, and how does it affect my auto insurance premium?

A policy limit (or "limit of liability") is the maximum amount your insurance company will pay for any claim covered under your policy. Policy limits are often comprised of two dollar amounts — for example, \$10,000/\$50,000. The first amount (\$10,000) would be the per person policy limit, while the second amount (\$50,000) is the total limit.

Commented [KL28]: Added this as counterpoint to FAQ above. A similar FAQ appears in the next "Coverage & Limits" section. I think both are important.

To keep monthly premiums low, drivers often opt for lower policy limits. But it is important to choose a liability limit you can afford in the event of a loss. Remember: you will be responsible to pay accident-related expenses above your policy limits. [Contact your agent](#) for more information about your policy limits and options.

Commented [KL29]: <https://www.travelers.com/FindAgent/>

COVERAGE & LIMITS

What is bodily injury liability coverage, and how much do I need?

Bodily injury liability insurance is the most important auto coverage a driver can have. If you cause an accident, it helps cover accident-related expenses such as hospital and medical bills, lost wages, rehabilitation and legal fees for the driver and passengers in the other vehicle.

At a minimum, you need to purchase a policy with the bodily injury liability limits required by your state. However, this [state-mandated minimum](#) may not offer adequate protection. Discuss your bodily injury liability deductible and policy limits with [your agent](#). Remember: you will be personally responsible to cover your deductible, as well as any related costs above this limit.

Embed or link to IDM 2: Bodily Injury Liability Coverage

What is property damage liability coverage, and do I need it? If so, how much?

Property damage liability insurance generally covers damages to another person's property — for instance, their car — when you are responsible for an accident. It can also cover some legal expenses if you are sued because of an auto accident.

Some level of property damage liability coverage is required most states. If you live in one of them, you need to purchase a policy with limits at the [state-mandated minimum](#). But this may not offer adequate protection. Discuss your property damage liability deductible and policy limits with [your agent](#). Remember: you will be personally responsible to cover your deductible, as well as any related costs above this limit.

Embed or link to IDM 3: Property Damage Liability Coverage

What is collision coverage, and do I need it? If so, how much?

Collision coverage helps cover the repair or replacement of your car if it hits another car, object or overturns. While not required in most states, if you finance or lease your vehicle, your lender may require you to carry a minimum level of collision coverage.

Without collision coverage, you will need to pay the full cost to repair or replace your car out-of-pocket after an accident that is your fault or involves only your car. Consider your risk tolerance and financial circumstances when choosing the level of protection that's right for you and your family — then discuss your collision coverage needs, options, deductible and policy limits with [your agent](#).

Embed or link to IDM 4: Collision Coverage

What is comprehensive coverage, and do I need it? If so, how much?

Comprehensive coverage (also known as "comp") generally pays for non-accident related damage to or loss of your car, such as theft, fire, vandalism or hail. While not required in most states, if you finance or lease your vehicle, your lender may require you to carry a minimum level of comprehensive coverage.

Without comprehensive coverage, you will need to pay the full cost to repair or replace your damaged car out-of-pocket. Consider your risk tolerance and financial circumstances when choosing the level of protection that's right for you and your family — then discuss your comprehensive coverage needs, options, deductible and policy limits with [your agent](#).

Embed or link to IDM 5: Comprehensive Coverage

What is medical payments/PIP coverage, and do I need it? If so, how much?

Medical payments coverage generally protects you, household relatives and your passengers from the potentially high cost of accident-related medical expenses. It also covers you as a pedestrian if you are hit by a vehicle.

Some states offer Personal Injury Protection (PIP) in place of, or in addition to, medical payments coverage. Also known as "no-fault" insurance, Personal Injury Protection often covers additional expenses related to injuries sustained in an accident, such as:

- Medical and hospital bills
- Funeral expenses
- Lost wages/income

Without medical payments/PIP coverage, you will need to pay the full cost of medical and related expenses out-of-pocket after an accident that is your fault or involves only your vehicle.

Commented [KL30]: <http://www.360financialliteracy.org/Topics/Insurance/Cars-and-Auto-Insurance/State-by-State-Minimum-Coverage-Requirements>

or <https://www.nerdwallet.com/blog/insurance/car-insurance/>

or <https://www.travelers.com/personal-insurance/auto-insurance/coverages-by-state.aspx>

Commented [KL31]: <https://www.travelers.com/FindAgent/>

Commented [KL32]: <http://www.360financialliteracy.org/Topics/Insurance/Cars-and-Auto-Insurance/State-by-State-Minimum-Coverage-Requirements>

or <https://www.nerdwallet.com/blog/insurance/car-insurance/>

or <https://www.travelers.com/personal-insurance/auto-insurance/coverages-by-state.aspx>

Commented [KL33]: <https://www.travelers.com/FindAgent/>

Commented [KL34]: <https://www.travelers.com/FindAgent/>

Commented [KL35]: <https://www.travelers.com/FindAgent/>

Consider your risk tolerance and financial circumstances when choosing the level of protection that's right for you and your family – then discuss your medical payments/PIP coverage needs, options, deductible and policy limits with [your agent](#).

Embed or link to IDM 6: Medical Payments Coverage

Commented [KL36]: <https://www.travelers.com/FindAgent/>

What is uninsured/underinsured motorist insurance, and do I need it? If so, how much?

Uninsured/Underinsured motorist insurance generally pays bodily injury to you and your passengers when the at-fault driver has inadequate or no insurance coverage. In some states, it may be offered as a combined coverage, while in others it may be offered as two separate coverages (one for uninsured, and another for underinsured motorists).

According to [recent research by the Insurance Information Institute](#), 12.6% of drivers in the U.S. are uninsured even though it is illegal. If you are hit by one of these drivers and you do not have uninsured/underinsured motorist coverage, you may be left holding the bill for all expenses — including damage to your car and injuries sustained by you and your passengers. Consider your risk tolerance and financial circumstances when choosing the level of protection that's right for you and your family – then discuss your uninsured/underinsured motorist coverage needs, options, deductible and policy limits with [your agent](#).

Embed or link to IDM 7: Uninsured/Underinsured Motorist Coverage

Commented [KL37]: <http://www.iii.org/fact-statistic/uninsured-motorists>

Commented [KL38]: <https://www.travelers.com/FindAgent/>

What is gap or loan/lease gap insurance, and do I need it? If so, how much?

Loan/Lease gap insurance can pay the difference between what your car is worth and what you still owe on it if your car is totaled. If you finance or lease your vehicle, your lender may require you to carry a minimum level of loan/lease gap coverage through your insurance provider or may include it in the cost of your car payment.

Discuss your loan/lease gap coverage needs, options, deductible and policy limits with [your agent](#) before purchasing auto insurance.

Embed or link to IDM 8: Loan/Lease Gap Insurance

Commented [KL39]: <https://www.travelers.com/FindAgent/>

What are deductibles and policy limits of liability, and how should I choose them?

A deductible is the amount of money you must pay out of your own pocket before your auto insurance kicks in. Deductibles only apply to certain coverages, such as comprehensive and collision, and typically range from \$100 to \$1,000.

A policy limit (or “limit of liability”) is the maximum amount your insurance company will pay for any claim covered under your policy. Policy limits are often comprised of two dollar amounts — for example, \$10,000/\$50,000. The first amount (\$10,000) would be the per person policy limit, while the second amount (\$50,000) is the total limit.

Here's one example of how deductibles and policy limits work. Let's say your car is damaged in an accident you caused, you have [collision coverage](#) with a policy limit of up to \$10,000 and your deductible is \$1,000. If the cost to repair your car is \$500, you will pay the entire \$500 since it is less than your deductible. If the cost to repair your car is \$8,000, you will pay your deductible of \$1,000 and your insurer will pay the remaining \$7,000. If the cost to repair your car is \$12,000, you will pay \$3,000 (your deductible, plus the \$2,000 above your policy limit) and your insurer will pay \$9,000.

To keep monthly premiums low, drivers often opt for higher deductibles and lower policy limits. But if you can't pay your deductible or accident-related expenses above and beyond your policy limits, you may find yourself in financial crisis. Choose wisely. Consider your risk tolerance and financial circumstances when deciding the level of protection that's right for you and your family – then work with [your agent](#) to create a policy that balances your individual needs with a premium, deductible and policy limit you can afford.

Do I need special coverage if I add new features to my car (e.g. stereo, sunroof, truck cap)?
It depends.

It is important to review your coverage needs with [your insurance agent](#) on an annual basis, or whenever you make “after-market” modifications to your vehicle, to ensure your policy remains adequate for your needs and budget.

Commented [KL40]: Long answer here, I know. But I think this is one of the trickiest, least understood thing among consumers so it's important to have the clear, comprehensive explanation.

Commented [KL41]: Same as above

Commented [KL42]: <https://www.travelers.com/FindAgent/>

Commented [KL43]: <https://www.travelers.com/FindAgent/>

General References

<http://guides.wsj.com/personal-finance/insurance/how-much-car-insurance-do-you-need/>
<https://www.kbb.com/car-advice/articles/how-much-and-what-kind-of-car-insurance-you-need/>
<https://www.edmunds.com/auto-insurance/how-much-car-insurance-do-you-need.html>
<https://www.travelers.com/personal-insurance/auto-insurance/how-to-choose-auto-insurance.aspx>
<https://www.travelers.com/personal-insurance/auto-insurance/types-of-coverage.aspx>
<https://www.travelers.com/personal-insurance/auto-insurance/discounts-advantages.aspx>
<https://www.travelers.com/insurance-basics/auto/the-basics.aspx>