

1. Car Insurance Policy Documents

Document Name: DriveSure Auto Insurance - Comprehensive Policy Guide (Version 2024.2)

This document serves as an in-depth guide to the various coverage options available under DriveSure Auto Insurance policies. It meticulously outlines what is typically covered, common exclusions, and key definitions to help policyholders gain a thorough understanding of their financial protection. While this guide provides extensive detail, please be advised that specific terms, conditions, limits, and deductibles are definitively outlined in your individual policy declaration page and the full, legally binding policy booklet. In the event of any discrepancy, the terms and conditions of your official policy documents will always take precedence.

I. Core Liability Coverages – Protecting Others

These coverages are fundamental components of any auto insurance policy, designed to protect you financially if you are found legally responsible for an accident that causes bodily injury to other individuals or damage to their property.

- **A. Bodily Injury Liability (BIL)**
 - **Purpose & Scope:** This coverage is paramount for protecting your assets. It pays for legitimate claims arising from injuries or death to other people involved in an accident where you are determined to be at fault. This includes, but is not limited to:
 - Medical expenses (hospitalization, doctor visits, surgery, rehabilitation)
 - Lost wages due to inability to work
 - Pain and suffering
 - Funeral expenses in the event of a fatality
 - Legal defense costs, including attorney fees and court costs, if a lawsuit is filed against you, up to your policy limits.
 - **Coverage Limits Explained:** Typically expressed as a "split limit" of three numbers (e.g.,
 - 50,000/50,000/

100,000/\$50,000).

- **First Number (e.g., \$50,000):** Represents the maximum amount DriveSure will pay for bodily injury to *any one person* injured in a single accident.
- **Second Number (e.g., \$100,000):** Represents the maximum *total amount* DriveSure will pay for bodily injuries to *all persons* injured in a single accident. This aggregate limit applies regardless of how many individuals are injured.
- **Third Number (e.g., \$50,000):** This pertains to Property Damage Liability (PDL) and is explained below.
- **Importance of Adequate Limits:** While states mandate minimum liability coverage, these limits are often insufficient to cover severe injuries. It is strongly recommended to choose limits higher than the state minimums to protect your personal assets from potential lawsuits.
- **Exclusions:** Does not cover injuries to you or your passengers (unless specifically mandated by state law or covered under Medical Payments/PIP), or damage to your own vehicle.
- **B. Property Damage Liability (PDL)**
 - **Purpose & Scope:** This coverage pays for damage to another person's property if you are at fault in an accident. This can include:
 - **Damage to other vehicles**
 - **Damage to fixed objects (e.g., fences, mailboxes, utility poles, buildings)**
 - **Costs associated with loss of use of the damaged property (e.g., rental car costs for the damaged vehicle).**
 - **Legal defense costs if a lawsuit is filed against you for property damage, up to your policy limits.**
 - **Coverage Limits Explained:** This is the third number in the split limit (e.g., \$50,000 in the example above). This represents the maximum total amount DriveSure will pay for all property damage in a single accident.
 - **Exclusions:** Does not cover damage to your own vehicle or property.

II. Vehicle Damage Coverages – Protecting Your Vehicle

These coverages are designed to protect your own vehicle from various types of damage, providing financial relief for repairs or replacement. A deductible applies to these coverages, meaning you pay a specified amount out-of-pocket before DriveSure pays for the remainder of the covered loss.

- **A. Collision Coverage**
 - **Purpose & Scope:** This essential coverage pays for damage to your own vehicle resulting from a collision. This includes impacts with:
 - Another vehicle (regardless of who is at fault)
 - An object (e.g., tree, guardrail, building, pothole)
 - Your vehicle rolling over.
 - **Deductible Application:** Your chosen deductible (e.g., \$500, \$1,000, \$2,500) is subtracted from the total repair cost. For instance, if repairs cost \$3,000 and your deductible is \$1,000, DriveSure pays \$2,000. If the damage is less than your deductible, you pay the full repair cost.
 - **Multiple Claims:** Each separate collision incident will typically incur a new deductible.
 - **Payout Basis:** Payouts are generally based on the Actual Cash Value (ACV) of the damaged parts or the vehicle itself at the time of loss, less your deductible.
 - **Exclusions:** Does not cover damage from non-collision events (e.g., theft, fire, hail), mechanical breakdown, wear and tear, damage to tires (unless part of a larger covered incident), or damage to custom equipment not specifically declared and added to your policy.
- **B. Comprehensive Coverage (Other Than Collision)**
 - **Purpose & Scope:** This coverage protects your vehicle from damage caused by events *other than* a collision with another vehicle or object. It's often referred to as "Other Than Collision" coverage. Covered events typically include:
 - Theft or vandalism (including attempted theft)
 - Fire
 - Falling objects (e.g., tree branches, rocks, debris)
 - Natural disasters such as hail, flood, windstorm, lightning, or earthquakes

- Impact with an animal (e.g., hitting a deer, elk, or other wildlife)
 - Explosion or riot
 - Glass breakage (e.g., windshield, windows), which may sometimes have a separate or no deductible.
 - **Deductible Application:** Similar to Collision coverage, a deductible applies to most comprehensive claims.
 - **Payout Basis:** Payouts are generally based on the Actual Cash Value (ACV) of the damaged parts or the vehicle itself at the time of loss, less your deductible.
 - **Exclusions:** Does not cover damage from collisions, mechanical breakdown, wear and tear, rust, freezing, road damage to tires, or personal belongings stolen from the vehicle that are not permanently attached (e.g., laptop, purse, golf clubs).
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III. Medical & Injury Coverages – Protecting You & Your Passengers

These coverages are designed to help pay for medical expenses for you and your passengers after an auto accident, regardless of who was at fault for the collision.

- **A. Medical Payments (MedPay)**
 - **Purpose & Scope:** MedPay covers reasonable and necessary medical and funeral expenses for you and your passengers if injured in an auto accident, regardless of fault. This can include:
 - Ambulance fees and emergency room visits
 - Hospital stays and surgical procedures
 - Doctor visits, X-rays, and diagnostic tests
 - Dental care required due to injuries
 - Professional nursing services
 - Funeral expenses.
 - **Coverage Limits:** Typically set per person (e.g., \$5,000 per person). This limit applies to each individual injured.

- **Interaction with Health Insurance:** MedPay can act as primary coverage for immediate accident-related costs or as secondary coverage, paying for deductibles or co-pays that your health insurance doesn't cover. It can also cover medical costs for passengers who may not have their own health insurance.
 - **B. Personal Injury Protection (PIP)**
 - **Purpose & Scope:** Broader than MedPay, PIP is mandatory in "no-fault" states and covers medical expenses for you and your passengers, regardless of fault. Additionally, PIP may cover:
 - Lost wages due to inability to work
 - Rehabilitation services and physical therapy
 - Essential services (e.g., childcare, house cleaning) if you're unable to perform them due to accident-related injuries
 - Funeral expenses.
 - **Coverage Limits & State Variations:** Limits vary significantly by state and policy, often with higher aggregate limits than MedPay.
 - **No-Fault Principle:** In states with "no-fault" laws, PIP pays for your injuries (and sometimes lost wages) regardless of who caused the accident. This often limits your ability to sue the at-fault driver for minor injuries, though the right to sue for severe injuries typically remains.
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IV. Uninsured/Underinsured Motorist (UM/UIM) Coverages – Protecting Against Others' Lack of Insurance

These coverages are crucial for protecting you and your passengers if you are involved in an accident with a driver who has no auto insurance or insufficient insurance to cover your damages.

- **A. Uninsured Motorist Bodily Injury (UMBI)**
 - **Purpose:** Pays for medical expenses, lost wages, pain and suffering, and other damages for you and your passengers if injured by a driver who has no auto insurance. This also applies in hit-and-run situations where the at-fault driver cannot be identified.

- **Coverage Limits:** Often mirrors your Bodily Injury Liability limits, providing consistent protection.
 - **B. Underinsured Motorist Bodily Injury (UIMBI)**
 - **Purpose:** Pays for medical expenses, lost wages, pain and suffering, and other damages for you and your passengers if injured by a driver who has some insurance, but their policy limits are not high enough to cover the full extent of your damages. Your UIMBI coverage would then pay the difference, up to your policy limits.
 - **Coverage Limits:** Often mirrors your Bodily Injury Liability limits.
 - **C. Uninsured/Underinsured Motorist Property Damage (UMPD)**
 - **Purpose:** Covers damage to your vehicle if hit by an uninsured or underinsured driver. This can be a vital alternative to using your Collision coverage, especially if you want to avoid paying your collision deductible or if you don't carry collision coverage.
 - **Deductible:** A separate, often lower, deductible may apply to UMPD claims.
 - **Availability:** Not available in all states; in some states, property damage caused by an uninsured motorist may fall under your Collision coverage.
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V. Optional Add-On Coverages & Endorsements – Enhancing Your Protection

These are additional coverages you can choose to customize and enhance your DriveSure policy, offering specialized protection and convenience.

- **A. Roadside Assistance:**
 - **Purpose:** Provides immediate assistance for common vehicle breakdowns.
 - **Services Included:** Towing (up to a specified distance or dollar amount), jump-starts for dead batteries, flat tire changes (using your spare), fuel delivery (cost of fuel extra), and lockout services.
 - **Benefit:** Offers peace of mind and convenience during unexpected roadside emergencies.
- **B. Rental Car Reimbursement (Loss of Use):**

- **Purpose:** Covers the cost of a rental car while your vehicle is being repaired after a covered collision or comprehensive claim. This ensures you have transportation during the repair period.
- **Limits:** Typically has a daily limit (e.g., \$30/day, \$50/day) and a maximum total limit per incident (e.g., \$900, \$1,500).
- **Duration:** Coverage typically applies for a set number of days or until repairs are completed, whichever comes first.
- **C. Gap Insurance (Loan/Lease Payoff):**
 - **Purpose:** Crucial for new or recently purchased vehicles. If your vehicle is declared a total loss (totaled) due to a covered event, and you owe more on your auto loan or lease than the vehicle's Actual Cash Value (ACV), Gap insurance covers the "gap" or difference between the ACV payout and your outstanding loan balance.
 - **Eligibility:** Usually available for new vehicles (typically within the first 1-3 years of ownership) or vehicles with a significant loan-to-value ratio.
- **D. Custom Parts & Equipment Coverage:**
 - **Purpose:** Extends coverage beyond factory-installed parts to aftermarket parts, accessories, or modifications installed on your vehicle. This includes custom sound systems, wheels, spoilers, performance upgrades, specialized paint jobs, or adaptive equipment.
 - **Requirement:** Requires you to declare the value of your custom equipment when purchasing the policy. Standard policies typically only cover factory equipment.
- **E. New Car Replacement Coverage:**
 - **Purpose:** If your new car (typically within its first year of ownership or a specified mileage limit, e.g., 15,000 miles) is declared a total loss due to a covered event, this coverage pays to replace it with a brand new car of the same make, model, and trim level, rather than just its depreciated Actual Cash Value (ACV). This prevents you from incurring the loss of depreciation.
- **F. Accident Forgiveness:**

- **Purpose:** Prevents your premium from increasing after your first at-fault accident. This is a valuable benefit for drivers who maintain a good driving record.
 - **Eligibility:** Typically requires you to be a DriveSure customer for a minimum period (e.g., 3-5 years) and have no prior at-fault accidents within a specified timeframe.
 - **G. Diminished Value Coverage:**
 - **Purpose:** In some states, this optional coverage or claim type can compensate you for the reduction in your vehicle's market value after it has been repaired following a covered accident, even if the repairs are perfect. The vehicle's resale value may still be lower due to its accident history.
 - **Availability:** Highly state-dependent and often subject to specific criteria.
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VI. General Policy Provisions & Your Responsibilities

Understanding these broader policy elements is crucial for maintaining your coverage and ensuring a smooth claims process.

- **A. Policy Period:**
 - **Definition:** The duration for which your insurance coverage is active, typically 6 or 12 months. Your policy declaration page will clearly state your effective date and expiration date.
 - **Renewal:** DriveSure will send you renewal notices prior to your policy's expiration, allowing you to review and renew your coverage.
- **B. Premiums & Payments:**
 - **Obligation:** It is your responsibility to pay your premiums by the due date to ensure continuous coverage.
 - **Payment Options:** DriveSure offers various payment options, including monthly installments, quarterly payments, or paying in full for the policy period (often with a discount).
 - **Lapse in Coverage:** Failure to pay premiums can result in a lapse in coverage, meaning you are uninsured during that period, which can lead to legal penalties and higher future premiums.

- **C. Your Duties After an Accident or Loss:**
 - **Report Promptly:** You must report any accident or loss to DriveSure as soon as reasonably possible. Delays can hinder investigation.
 - **Cooperation:** You are required to cooperate fully with DriveSure's investigation of any claim, including providing requested documents, attending examinations under oath, and assisting in any legal proceedings.
 - **Protect Property:** Take reasonable steps to protect your vehicle from further damage after an incident.
 - **No Admission of Guilt:** Do not admit fault or assume liability to other parties involved in an accident.
- **D. Policy Changes & Updates:**
 - **Notify DriveSure:** You must promptly notify DriveSure of any significant changes that could affect your policy or risk profile, such as:
 - Adding or removing a vehicle
 - Adding or removing a driver (e.g., a new teenage driver)
 - Changing your primary residence or vehicle garaging location
 - Changing the primary use of your vehicle (e.g., from pleasure to rideshare).
 - **Impact on Premiums:** Such changes may result in an adjustment to your premium.
- **E. Cancellation Policy:**
 - **By Insured:** You may cancel your policy at any time by notifying DriveSure. A refund of unearned premium may be issued.
 - **By Insurer:** DriveSure may cancel your policy for specific reasons as permitted by state law, such as non-payment of premium, material misrepresentation on your application, or a significant increase in risk. Advance notice will be provided.

VII. Key Definitions (Expanded)

- **Actual Cash Value (ACV):** The value of your vehicle at the time of loss, taking into account depreciation, condition, and mileage. It's calculated as the replacement cost new minus depreciation.
- **Bodily Injury:** Physical injury, sickness, disease, or death sustained by a person.
- **Claim:** A formal request made by a policyholder to their insurance company for payment or services under the terms of the insurance policy.
- **Deductible:** The amount of money you are responsible for paying out-of-pocket before your insurance coverage begins to pay for a covered loss. It applies per incident.
- **Endorsement (or Rider):** An amendment or addition to an existing insurance policy that changes the terms or scope of the original contract.
- **Exclusion:** Specific situations, conditions, types of damage, or persons that are explicitly not covered by your policy.
- **Insured:** The person(s) or entity protected by the insurance policy.
- **Lapse in Coverage:** A period of time when an insurance policy is no longer in effect due to non-payment of premiums or cancellation, leaving the insured without protection.
- **Limits:** The maximum amount of money an insurance company will pay for a covered loss.
- **Policy Period:** The duration for which your insurance coverage is active (e.g., 6 months or 12 months), as stated on your policy declaration page.
- **Premium:** The amount of money you pay to DriveSure Auto Insurance for your coverage, typically paid periodically (e.g., monthly, semi-annually).
- **Property Damage:** Physical injury to, destruction of, or loss of use of tangible property.
- **Totaled Vehicle (Total Loss):** When the cost to repair a damaged vehicle exceeds a certain percentage (determined by state law or insurer, typically 70-80%) of its Actual Cash Value, or if the vehicle is deemed unsafe to repair. In such cases, the insurer pays out the ACV (less deductible) and takes possession of the salvage.