

The "Consumer's Guide to Automobile Insurance" from the North Carolina Department of Insurance provides crucial information about automobile insurance, including coverage types, rate influences, claims processes, and frequently asked questions. North Carolina law requires continuous maintenance of Automobile Liability coverage with minimum limits of \$30,000 for bodily injury per person, \$60,000 total for all persons, and \$25,000 for property damage. Additionally, Uninsured/Underinsured Motorists coverage is mandatory for policies with minimum limits. The guide stresses the importance of understanding personal automobile policies and encourages consumers to reach out to the Consumer Services Division for assistance. The policy encompasses several basic coverages: Liability Coverage, which addresses bodily injury and property damage for which the insured is legally responsible; Medical Payments Coverage for medical and funeral expenses due to an accident; and Uninsured/Underinsured Motorists Coverage for injuries caused by uninsured or underinsured drivers. Liability coverage is further divided into Bodily Injury Liability, Property Damage Liability, and Supplementary Payments, each with specific limits. Coverage for damage to the insured automobile includes Collision and Comprehensive coverage, which addresses various types of damage. Additional coverages available for purchase include Automobile Death Indemnity, coverage for rented vehicles, and towing and labor costs. The guide explains how insurance rates are determined, highlighting factors such as driving record, location, type of automobile, and usage. The North Carolina Safe Driver Incentive Plan offers financial incentives for safe driving, with points assigned for violations and accidents during the three years preceding the application or renewal of the policy.

The policy outlines coverage, exclusions, and procedures related to automobile insurance, specifying that certain driving offenses, such as reckless driving and driving under the influence, incur points affecting premium rates, with the severity of the offense determining the rate increase. Notably, no insurance points apply for medical costs incurred solely for diagnostic purposes, and there are exemptions for minor accidents and certain speeding violations under specific conditions. The policy also addresses inexperienced operators, indicating that their inclusion will significantly

raise premiums, and highlights that high-risk drivers may face challenges in obtaining insurance at favorable rates. A reinsurance facility is available for high-risk drivers to secure necessary liability coverage, with specified limits for bodily injury and property damage. Premium payment requirements emphasize the importance of timely payments to avoid cancellation, as there is no grace period. The cancellation process can occur for reasons such as non-payment of premium or misrepresentation of driving history, with nonrenewal and automatic termination conditions also specified, requiring notifications for both.

In terms of claims, policyholders are instructed to contact their agent or insurance company immediately after an accident and are provided with a checklist of necessary steps. The policy explains how fault is determined under North Carolina's contributory negligence law, which may affect the ability to collect damages. Repair procedures allow policyholders to choose their repair shop, and the insurer must cover repair costs regardless of the shop selected. The policy emphasizes the importance of thoroughly reading the policy to ensure all vehicles and coverages are accurately listed and understood. It also outlines procedures for resolving disputes regarding the amount of loss, which may involve appraisers and an umpire if necessary. A vehicle is considered a total loss if repair costs reach or exceed 75% of its actual cash value (ACV), determined by local market comparisons or dealer estimates. Medical Payments coverage assists with medical expenses regardless of fault, while bodily injury claims can include various costs related to the accident. The policy addresses liability coverage lapses, confirming that the insurance company must notify the North Carolina DMV, which will inform the insured of any penalties. Coverage extends to other states and Canada, but not Mexico, and family members residing in the household are covered. New vehicles are automatically covered for 30 days if reported, but dropping coverage on a financed vehicle violates the finance contract, potentially leading to costly single interest coverage. The policy does not cover vehicles used for Transportation Network Companies (TNCs) like Uber or Lyft. Coverage remains in effect for college students and military personnel stationed out of state, but young drivers must be added to the policy if they reside in the household. The policy

clarifies that liability insurance does not cover personal medical or repair bills, and underinsured motorist coverage may assist if the other driver's insurance is insufficient. The insured can retain a totaled vehicle but must accept a deduction for its salvage value. If there is a disagreement over the claim amount, an appraisal process can be initiated. The policy also explains that insurance companies must provide reasons for cancellations and non-renewals and are required to notify the insured of any claim denials with explanations. After an accident, the insured must promptly notify the insurance company and cooperate with investigations. Claims must be acknowledged within 30 days, and payments should be made within 10 business days after settlement. The North Carolina Department of Insurance offers assistance with complaints but does not intervene in legal matters or determine fault in accidents.