

The National Association of Insurance Commissioners (NAIC) functions as a collective of state insurance regulators dedicated to safeguarding consumer interests and fostering competitive insurance markets. It provides essential resources, including model laws and guidelines, to aid states in effectively regulating the insurance industry, with a focus on public interest, fair consumer treatment, and the financial stability of insurance institutions. The "Consumer's Guide to Auto Insurance" emphasizes the necessity of auto insurance for compliance with state laws, lender requirements, and asset protection. It details various coverages typically included in an auto policy, such as Bodily Injury Liability, Property Damage Liability, Uninsured and Underinsured Motorist Coverage, Medical Payments or Personal Injury Protection (PIP), Collision, and Comprehensive coverage, each priced separately, urging consumers to assess their needs to select appropriate coverages.

Insurers determine premiums based on factors including driving records, credit-based insurance scores, age, gender, marital status, vehicle type, location, and prior insurance history, with deductibles also influencing premium costs. Discounts may be available for bundling policies, vehicle safety features, and completing defensive driving courses. The guide encourages smart shopping, as different insurers offer varying rates and levels of service, and consumers can obtain quotes through independent agents, exclusive agents, or direct market sales. It stresses the importance of purchasing from licensed insurers to ensure claims will be honored and advises consumers to verify the licensing status of agents and companies through their state insurance department. The financial stability of the insurer is crucial and can be assessed using ratings from independent agencies. When obtaining premium quotes, consumers should determine necessary coverages and limits, as state laws set minimum liability coverage that may not suffice for serious accidents, and it is recommended to request quotes with identical coverage details while inquiring about potential discounts and the impact of different deductibles on premiums.

The policy outlines the responsibilities of the insured, which include understanding the policy terms,

making timely premium payments, and maintaining the vehicle. In the event of an accident, the insured should gather information from the other driver and witnesses and report the incident to the police if injuries occur. Filing a claim requires prompt contact with the insurer and provision of necessary documentation, with the insurer assigning a claims adjuster to assess damages. Disagreements regarding claims can be addressed through discussions with the insurer or by seeking assistance from the state insurance department. The document differentiates between policy cancellation and non-renewal, explaining that cancellation can occur within a limited timeframe for various reasons, while non-renewal indicates that the insurer will not continue coverage after the policy expires. In both scenarios, the insurer must provide notice, and consumers can seek clarification from the state insurance department if they disagree with the insurer's actions. For those unable to find insurance, contacting the state insurance department for high-risk driver programs is recommended, along with utilizing additional resources such as state insurance department websites and the NAIC for consumer rights and premium comparisons.