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# Property & Casualty Insurance Glossary

**Auto Insurance**



▪ **Auto Insurance**

Personal automobile insurance provides coverage that protects against financial loss because of legal liability for motor vehicle related injuries (bodily injury and medical payments) or damage to the property of others caused by accidents arising out of ownership, maintenance or use of a motor vehicle (including recreational vehicles such as motor homes). This policy can include physical damage insurance coverage (including collision, vandalism, fire and theft) that insures against material damage to the insured's vehicle.

**A****Accident**

Is an unintentional, unforeseen, and unexpected detrimental event.

**Auto Liability Insurance**

Is coverage that pays an amount up to the policy limit for bodily injury or property damage to a third party for which the insured is responsible.

**C****Collision Coverage**

Is insurance coverage for the cost to repair or replace a vehicle after a collision which resulted in damage to the vehicle.

**Collision Damage Waiver**

Is an agreement between a rental car company and renters which waives the responsibility of renters to pay for any physical damage to a rented vehicle during the rental period. It is a rider (or endorsement) to the rental agreement, and the cost to the renter is added to the cost of renting the vehicle itself. Coverage might be provided under the renter's personal auto policy.

**Comprehensive Coverage**

Or "other than collision" coverage insures for losses or costs to repair or replace a vehicle from perils not caused by collision or a rollover; examples include fire, theft, falling objects, explosions, vandalism, and water damage. The deductible may be waived for glass losses for an additional premium.

**L****Loan / Lease Gap Coverage**

Is protection that covers the difference in selling price between a vehicle's actual cash value and the payout left on a lease or loan.

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### Medical Payments

Coverage pays for your own injury treatment and that of your passengers, no matter who caused the automobile accident in which the injury occurred.

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### No-Fault Insurance

Or personal injury protection covers medical expenses for the driver and passengers, in the event of an accident, regardless of who is at fault. States that use no-fault coverage usually modify this concept to permit some

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### Optional Basic Economic Loss

Is limited coverage for injured parties and medical payments due to accident, regardless of fault.

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### Personal Automobile Insurance

is a standardized insurance policy for personal automobile liability and physical damage protection. Other typical coverage includes medical payments, towing and labor, rental reimbursement, uninsured motorist coverage, and underinsured motorist coverage. There are two types of physical damage coverage: collision and comprehensive.

### Personal Injury Protection

Is coverage that protects an insured party for loss from physical injury, loss of income, and so forth, regardless of fault. It is in automobile policies in states that have no-fault provisions.

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### SR-22

Is a file that proves ownership of adequate insurance; it is submitted to the state bureau of motor vehicles by drivers who have been caught driving without insurance or a valid driver's license. It may also be required due to repeated driving offenses or other legal restrictions.

### Supplemental Spousal Liability Coverage (SSL)

Is a New York state specific coverage. SSL provides bodily injury coverage under the automobile policy to cover the liability of an insured spouse because of the death of or injury to his or her spouse, even where the injured spouse must prove that culpable conduct of the insured spouse.

### Supplementary Underinsured and Uninsured Motorist Liability

Is additional liability insurance that a policyholder may purchase to protect themselves from persons who do not carry adequate limits of liability insurance to cover an insured loss, or whose policy cancels.

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### **Totaled**

Is the assessment that damages to a vehicle exceed its actual cash value. In a loss covered by insurance, the insurer usually makes a payment equal to the vehicle's actual cash value, while also obtaining salvage rights.

### **Towing and Labor**

Is supplemental auto insurance that will pay for labor performed at the site of the insured vehicle's disablement (e.g., a flat tire) or towing the vehicle from the location of the breakdown.

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### **Under-Insured Motorists Coverage**

Protects the insured and passengers if another driver, who is at fault in an accident, has an inadequate policy or lower liability limit than the insured. This coverage is applied after the at-fault driver's low limit automobile liability is exhausted.

### **Uninsured Motorists Coverage**

Is coverage protecting policyholders from at-fault drivers who do not have any insurance, or from losses resulting from hit-and-run incidents.

The definitions included here are a generalization. Refer to your insurance policy documents for the insurance.