



Sullivan Insurance Inc. | William J. Sullivan Insurance Agency, Inc.

This guide, taken from the Division of Insurance, Consumer Service Department of the Commonwealth of Massachusetts, explains the specialized terminology you'll find in each part of your auto insurance policy. Use it now as a quick reference on the types of coverage you can buy.

If you have any questions, please call our toll free customer service line at [877-785-5462](tel:877-785-5462). You can also go to our website www.sullivan.com for more contact information or e-mail us at info@sullivan.com.

TABLE OF CONTENTS

COMPULSORY INSURANCE

[Bodily Injury to Others](#)

[Personal Injury Protection](#)

[Bodily Injury Caused By An Uninsured Auto](#)

[Damage To Someone Else's Property](#)

OPTIONAL INSURANCE

[Optional Bodily Injury to Others](#)

[Medical Payments](#)

[Collision](#)

[Limited Collision](#)

[Comprehensive](#)

[Substitute Transportation](#)

[Towing & Labor](#)

[Bodily Injury Caused By An Underinsured Auto](#)

COMPULSORY INSURANCE-- Coverages You Must Buy (Parts 1-4)

Bodily Injury to Others (Part 1)

This pays for damages (e.g., medical expenses, pain and suffering) to anyone injured or killed by your car **only in an accident that occurs in Massachusetts**, up to a basic limit of \$20,000 per person and \$40,000 per accident. Injuries to the driver or passengers in your car are not covered under this part; please refer to Personal Injury Protection (Part 2) for information about that coverage.

If you drive outside of Massachusetts or in places where the public has no right of access, or if you drive with guests in your car, please see Optional Bodily Injury to Others (Part 5), for coverage that will protect you in such situations.

You could be sued for much more than the required (\$20,000/ \$40,000) limits for bodily injury to others. Buying higher limits under the Optional Bodily Injury to Others (Part 5) coverage may protect you from large losses. The limits you select will depend on your personal financial situation; limits of \$100,000 per person, \$300,000 per accident are commonly selected.

Personal Injury Protection - PIP (Part 2)

This coverage pays up to \$8,000 to you or anyone you let drive your car, anyone living in your household, passengers and pedestrians, no matter who causes the accident. PIP pays for medical expenses, replacement services and 75 percent of any lost wages.

Your PIP coverage pays for medical expenses in excess of \$2,000 that are not paid for by your medical insurance, only after these expenses have been submitted to the medical insurer to determine what it will and will not pay. Your PIP coverage **will not** pay for expenses over \$2,000 that your medical insurer would have paid if the injured person had sought treatment in accordance with the terms of your health plan.

Your health insurance may not cover all of your medical expenses from an auto accident, such as cosmetic and dental services, co-payments and deductibles. Also, your disability policy may have long waiting periods. The small savings from the larger deductible may not be worth it.

The driver and passengers, while riding a motorcycle, are not covered by PIP. However, the owner of the motorcycle **must** purchase this coverage to protect other people who may be injured by the motorcycle.

You can save on your premium by excluding yourself, or yourself and household members, from some or all of this coverage. You should consider this option if you have a medical and disability income plan. The portion of each claim you have agreed not to be covered for is called a *deductible*.

Note: PIP covers owners of cars and motorcycles, and members of their households, if they are injured while occupying or struck by a car that does not have Massachusetts compulsory insurance.

Bodily Injury Caused By An Uninsured Auto (Part 3)

This coverage protects you, anyone you let drive your car, household members and passengers (unless covered by another Massachusetts policy with similar coverage) against losses caused by an uninsured or unidentified (hit-and-run) driver. A minimum limit of \$20,000 per person and \$40,000 per accident is required. This coverage does not pay for property damage or damage to your auto.

Damage to Someone Else's Property (Part 4)

This part pays for damage to another person's property and costs associated with the loss of use of that property, when you, a household member or another authorized driver cause an accident. A minimum limit of \$5,000 is required.

With the rising costs of automobile and property repair, it may make sense to purchase more than the required \$5,000 minimum limit. This can be done at minimal cost. Limits of \$50,000 or \$100,000 are frequently purchased. Note that only three percent of all drivers purchase the \$5,000 minimum.

OPTIONAL INSURANCE-- Coverages You May Buy (Parts 5-12)

Optional Bodily Injury to Others (Part 5)

This optional coverage extends your liability protection (the basic \$20,000/\$40,000 limits under Bodily Injury to Others) up to the amount you purchase under this part. This option provides coverage for accidents beyond Massachusetts to anywhere in the United States, its territories or possessions, or Canada. This coverage also pays for damages suffered by guests in your auto.

Your automobile is not covered in any country other than the U.S. and Canada.

You could be sued and may be liable for much more than the \$20,000 per person and \$40,000 per accident limits required under Bodily Injury to Others (Part 1).

Buying higher limits under Optional Bodily Injury to Others (Part 5) may make good sense if you have assets you wish to protect.

Medical Payments (Part 6)

This part covers medical expenses for you, your household members and passengers, over and above amounts covered by personal injury protection, no

matter who caused the accident. The minimum amount you can buy is \$5,000 if insuring an automobile and \$500 if insuring a motorcycle.

Collision (Part 7)

Collision coverage pays for collision damage to your car, less any applicable deductible, no matter who causes the accident. If your car is financed, your lender may require this coverage as well as a particular deductible amount.

Selecting Your Deductible:

Your deductible will be set at \$500 unless you select a different amount. You can always save on your premium by choosing a larger deductible where one is offered. In determining the amount of deductible that is right for you, decide how much you can afford to pay out of your own pocket in the event of an accident or loss in which you are at fault, or the other driver is unidentified. The deductible you choose is the amount you should expect to pay if you use this coverage option. Information regarding selecting your deductible also applies to Limited Collision (Part 9) coverage and Comprehensive Coverage.

Waiver of Deductible:

Buying collision coverage with a waiver of deductible means that the collision deductible you choose will not apply when an accident is caused by another **identifiable** driver. This is most helpful when there is an uninsured, identifiable driver. If you are in an accident caused by another identifiable driver who is insured, their Part Four (Damage to Someone Else's Property) coverage will pay your automobile's damages to the limit they purchased. You will not have to pay the deductible amount.

If you are in an accident caused by another **identifiable** driver who is **uninsured**, the waiver of deductible will pay the collision deductible you selected; however, you must pay additional premium for this option.

Find out what your car is worth today. If you have a car of low dollar value, it may be a wise economic choice **not to buy** the Collision and Comprehensive Coverage unless a lender requires it.

However, if your automobile has substantial value because of its exceptional condition, such as an antique, classic or restored automobile, you should have it appraised and then consider insurance coverage in light of the appraised value.

Limited Collision (Part 8)

This part also pays for collision damage to your car. You must not be more than 50 percent at fault, and the owner of the other vehicle must be identified.

Comprehensive (Part 9)

Comprehensive coverage pays for damage to or loss of your car, less any applicable deductible, resulting from perils such as fire, theft, vandalism and striking an animal, but not collision. This coverage allows up to \$15 a day (to a limit of \$450) for substitute transportation (rental or other transportation costs including taxi, bus and train fare) until your stolen auto is recovered. Personal property is not covered unless it is permanently installed in your car, such as a tape deck. If your car is financed, your lender may require this coverage.

If your automobile is stolen, you must report it to the police and your insurance company. You will be reimbursed for transportation costs after the first 48 hours following the report.

You may be denied comprehensive coverage or required to pay a higher extra-risk rate if you own a high-theft vehicle which does not have a qualifying anti-theft or recovery device. Coverage may be denied or priced higher under certain other conditions.

Substitute Transportation (Part 10)

This coverage reimburses up to \$15 a day for car rental or transportation costs including taxi, bus and train fare (up to \$450), while your car is undergoing collision or covered repairs. Coverage of up to \$100 a day (up to a limit of \$3,000) is available for an additional cost. Even if you have this coverage, some car rental agencies may refuse to rent to you if you are under a certain age, are a poor credit risk, do not have an acceptable credit card or have an unacceptable driving record.

Your collision, limited collision and comprehensive coverage will apply to any other car you rent or use with the consent of the owner, except a vehicle owned or regularly used by your spouse or a house-hold member.

If you can afford to take a cab or rent a car when your car is in the shop for collision repairs, you may not need substitute transportation coverage.

Towing and Labor (Part 11)

Towing and labor coverage pays up to \$25 for towing and labor charges each time your car breaks down whether or not there is an accident involved. You are covered only for the on-site labor costs at the breakdown site (not any parts) needed to get your car running again. Coverage of up to \$50 per disablement is available for additional cost.

If you belong to a motor club, you probably do not need this coverage since many motor clubs' services include towing and labor.

Bodily Injury Caused By An Underinsured Auto (Part 12)

This coverage pays for bodily injury damages to you, household members and passengers, unless they have a policy of their own, or are covered by a Massachusetts auto policy of another household member with similar coverage. The accident must be caused by someone without enough bodily injury coverage. It pays you up to the difference between the total amount collected from the bodily injury liability insurance covering the owner and driver of the other car, and the limits you purchased for this coverage.

Since many people buy only minimum required amounts for bodily injury to others, selecting higher limits may protect you from incurring high personal injury expenses. You may purchase coverage up to, but no more than, the limits of the bodily injury to others coverage you carry.

This coverage will NOT pay for damage to property.