



**Whatever the need in your life, Shamblin Insurance can help.**

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**Now representing AAA Insurance and also offering AAA  
Roadside Assistance**

**Monthly Newsletter – August 2008**

***Follow these tips to read and understand your policy faster.***

Have you ever sat down to read your auto insurance policy contract — not your Dec Page that lists the coverages you purchased, but the actual policy contract that looks like a very long legal agreement? If not, you're not alone. Many people find this task daunting due to the contract's complexity, so they avoid tackling it.

While we recommend that you read your policy to fully understand specific coverage details, we also know that your policy is written as a legal contract, so it can seem intimidating or confusing. To simplify the reading of your policy, I've put together a brief overview of the types of coverages in a typical policy contract and how they work.

### **Elements of an Auto Insurance Policy**

Your auto insurance policy consists of sections that define every type of auto insurance coverage offered by your company. Policies are distinguished by the state in which they're issued, and coverages available may vary among states. Your policy simply explains the types of coverage available and how or when they can be used. For your specific policy information, please refer to the terms, conditions, limitations and exclusions contained in your specific policy.

If you see these coverages in your auto policy, here's what they do:

**Liability** – This coverage consists of Bodily Injury and Property Damage (BI/PD), which covers your legal liability, up to the limit you select, for damages caused in a covered vehicle accident. Under BI/PD, we pay for damages to an injured person and

for property damage that you are legally obligated to pay as a result of an accident. If we cover an accident for which you are sued, we pay for a lawyer to defend you, too.

**Personal Injury Protection (PIP)** – Available in certain states and commonly referred to as "no-fault insurance," PIP covers your medical bills and often lost wages if you are disabled or unable to work as a result of an accident. PIP also usually covers the cost of personal services you must now pay someone else to do for you. PIP coverage is subject to a limit, which is specified in your policy.

**Medical Payments (MedPay)** – This coverage applies no matter who is at fault and covers the cost of reasonable and necessary medical care provided to you as the result of a car accident. The coverage is often limited to a specified time period following the accident (usually three years) and the amount of coverage you chose when you purchased the policy.

**Uninsured/Underinsured Motorist (UM/UIM)** – UM/UIM coverage pays for damages that you are legally entitled to recover for your bodily injury. In general, this coverage provides what you would have received from the other person's insurance company had that person been insured. UM/UIM may also protect you if the person who caused the damage does not have enough insurance. Uninsured Motorist Property Damage coverage is available in some states and provides protection for damage to property caused by a person without insurance.

**Collision** – If your vehicle overturns, or if it collides with another vehicle or object, collision coverage pays for the damage to your vehicle. Collision involves a deductible amount you select when you purchase your policy. This amount, typically \$250 or \$500, is the amount you are required to pay in the event a claim exceeds the deductible amount.

**Comprehensive** – This coverage pays for damage caused by an event other than a car collision, such as fire, theft, vandalism, hail or flood damage. Comprehensive also covers damage from an animal hit. Additionally, if your car is stolen, comprehensive will cover the cost of a rental (subject to a daily limit). Like Collision coverage, a deductible usually applies.

**Custom Parts or Equipment (CPE)** – Collision and Comprehensive coverage each provide up to \$1,000 of coverage for custom parts or equipment, which are accessories and enhancements permanently installed in or on your vehicle. Parts and equipment offered by the manufacturer or installed by the dealer at the point of sale are not custom parts or equipment, but they are included under your standard Collision and Comprehensive coverage.

**Additional Custom Parts or Equipment (ACPE)** – This coverage is available if you have more than \$1,000 of custom parts or equipment on your vehicle. If you purchase ACPE, we will pay for custom parts or equipment damaged as a result of a covered incident, up to the amount shown on your Dec Page.

**Rental Reimbursement** – If you buy Rental Reimbursement coverage, we will reimburse you for rental car charges incurred while our vehicle is being repaired after a covered accident. You can only buy Rental Reimbursement if you buy Collision and Comprehensive coverage. Rental Reimbursement is limited to 30 days and is subject to the maximum per day amount shown on your Dec Page.

**Loan/Lease Payoff** – This coverage protects you when your covered vehicle has been deemed a total loss and you owe a lender more money than the vehicle is worth. If you buy Loan/Lease Payoff and your vehicle is declared a total loss, Loan/Lease Payoff will pay the difference between the vehicle's actual cash value and the amount you owe to the lender. However, the maximum we will pay under this coverage is 25 percent of the actual cash value.

**Roadside Assistance** – If you incur labor costs at the place where your vehicle becomes disabled as a result of a mechanical/electrical breakdown, dead battery, flat tire and/or lockout, Roadside Assistance covers those costs. We also will help if you run out of gas or other fluid, or if you become stuck in snow or mud within 100 feet of a road or highway. And, if necessary, Roadside Assistance will cover towing to the nearest qualified repair facility.

### **Interesting Facts**

1. As recently as February 2002 the price of oil was \$20 a barrel.
2. Surveillance cameras (300,000) outnumber athletes (12,000) by 25-to-1 at the 2008 Summer Olympics.
3. Every U.S. bill regardless of denomination costs just 4 cents to make.
4. The most popular name for a pet in the United States is Max.
5. In New York City, approximately 1,600 people are bitten by other humans annually.
6. The sport Lacrosse was initially played by Native American Indians. They played the sport to prepare for war.
7. In 1963, baseball pitcher Gaylord Perry said, "They'll put a man on the moon before I hit a home run." On July 20, 1969, a few hours after Apollo 11 landed on the moon carrying Neil Armstrong, Gaylord Perry hit his first home run.
8. Approximately 40% of the U.S. paper currency in circulation was counterfeit by the end of the Civil War.

9. The New York Stock Exchange started out as a coffee house.

10. In 1980, Saddam Hussein received a key to the city of Detroit.