



Consumer Protection Division
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NEW DRIVER'S GUIDE TO AUTO INSURANCE

Important Questions and Answers About Auto Insurance

Why buy car insurance?

- The law requires it.
- Without it, you pay from your own pocket for injuries and property damage that you cause to others.
- The odds are, you will need it. The National Highway Loss Data Institute says:
 - The risk of an accident per mile driven among 16 to 19 year olds is four times the risk of older drivers.
 - Risk is highest at age 16, with the crash rate per mile driven almost three times as high as the risk among 18-19 year olds.
 - Car accidents are the number one cause of death among 16-19 year olds.
 - Life happens.

If you get into an accident...

Exchange information with the other driver involved. Important information you will need includes:

- The other driver's name
- The other driver's address and phone number
- The other driver's drivers' license number and state that issued the drivers' license
- The other driver's insurance company name and policy number (look at their insurance card)
- If the police department or other law enforcement agency is present, take note of that agency.

When it's time to shop for auto insurance...

Contact the Arizona Department of Insurance for an Auto Insurance Premium Comparison and other auto insurance resources. You can call us at (602) 364-2499 or (800) 325-2548 (in Arizona, but outside the Phoenix metropolitan area), or visit our website at <https://insurance.az.gov>.

What if I choose not to get car insurance?

It might cost you more in the long run!

- You could be ticketed and fined between \$500 and \$1,000.
- Your vehicle registration and your drivers' license could be suspended.
- Your vehicle could be impounded.
- If you cause an accident, you or the owner of the vehicle could be sued.
- When you finally want coverage, you'll find most insurers charge higher rates for previously uninsured drivers.

How much insurance do I need to drive?

If you just want to meet legal requirements, you need to buy the minimum liability coverage allowed. If you cause or contribute to an accident, the most this coverage will pay per accident is:

- \$15,000 for medical expenses per person injured;
- \$30,000 maximum for medical expenses of all those you injure in any one accident; and
- \$10,000 toward fixing the damage you cause to someone else's vehicle or personal property (building, fence, signs, etc.).

Be aware that minimum liability coverage may not be enough to repay someone you injure, or whose property you damage, in an accident and you could be obligated to make up the difference.

What's missing?

The law does not require you to buy insurance to cover damage to or theft of your own vehicle (however, if you owe money on a car loan, the bank or lienholder might require that you have the vehicle insured). If you want coverage for your own vehicle for repairs or replacement, you need to buy collision and comprehensive coverages. If your car is stolen, or damaged in an accident that is your fault (or if the at-fault driver is uninsured), this insurance coverage will help you repair or replace your vehicle.

How can I lower the cost of auto insurance?

- Drive safely! Avoid tickets and accidents. Your driving record has a huge impact on what you pay for insurance.
- Drive a safe vehicle. Sports cars and high profile vehicles may contribute to increased injuries, and cost more to repair, which means they cost more to insure.
- Get good grades! Many insurers offer a good student discount for a “B” or better grade average.
- Ask your insurance representative about a higher deductible (if you buy Comprehensive and Collision coverage). Your deductible is how much you pay out of pocket for a claim for damage to your car.
- Ask about discounts for driver education classes.
- Shop around! There are lots of insurance companies and there’s a wide range in what each charges for insurance.
- Don’t drink and drive.
- Avoid distractions like cell phones, eating or drinking, or noisy passengers.

What if I have a problem with my insurance company or insurance producer?

To ask insurance questions, request pamphlets, or file a complaint, contact the Arizona Department of Insurance at:

2910 N. 44th Street, Suite 210
Phoenix, AZ 85018

Phone (Phoenix area): 602-364-2499

Toll free (outside of Phoenix area): 800-325-2548

Fax: 602-364-2505

Email: consumers@azinsurance.gov

Check out these websites for information on driving safety:

The National Safety Council’s Teen Driving page: <http://www.nsc.org/learn/NSC-Initiatives/Pages/teen-driving.aspx>

The DriveitHOME™ initiative: <http://driveithome.org/>

I Care: <http://www.thehumanityproject.com/icare/index.html>

Persons with disabilities may request materials be presented in an alternative format by contacting the ADA Coordinator at (602) 364-3100. Requests should be made as early as possible to allow time to procure the materials in an alternative format.
