

Arkansas

Auto Insurance

Quick Guide

McGhee Insurance Agency presents this Quick Guide to provide a brief description of Arkansas Auto Insurance. For more detailed information, visit our website at www.mcgheehinsurance.com, or give us a call at any of the numbers listed below.

Automobile Insurance Coverage

An automobile insurance policy is made up of several types of coverage options: **LIABILITY, COLLISION, COMPREHENSIVE, PERSONAL INJURY PROTECTION, UNINSURED MOTORIST, UNDERINSURED MOTORIST** and other options. You are not required by law to purchase all of these options. Your finance company may require certain coverage options.

LIABILITY

Arkansas Law requires that all motor vehicles driven in the state must be insured with a minimum amount of liability coverage: \$25,000 for bodily injury or death of one person in any one accident; \$50,000 for bodily injury or death of two or more persons in any one accident and \$25,000 for damage to or destruction of the property of another.

Liability Bodily Injury protects you against a claim made by someone who has been injured in a automobile accident for which you are legally liable. The amount of coverage you have is stated in your policy.

Liability Property Damage protects you against a claim for damage to another person's auto or other property, real or personal, in an accident for which you are legally liable. The amount of coverage you have is stated in your policy.

You may purchase higher limits of liability if you feel the minimums required by law are not enough to protect you. Our agents can assist you in determining the appropriate amount.

McGhee Insurance Agency
Little Rock – (501) 224-6666, or (888) 214-3149
Sherwood – (501) 392-0300, or (866) 861-8368
Conway – (501) 327-4666, or (866) 563-5656

COLLISION COVERAGE

Collision coverage pays for damage to **your automobile** as the result of colliding with another vehicle or object, regardless of who is at fault. Collision coverage has a deductible that you must pay; the insurance company then pays the balance owed to the repair company.

You should always consider the deductible amount you can afford. The larger the deductible, the less premium you will have to pay. Be careful that your deductible is not so large that you cannot afford to pay it if your automobile is damaged.

COMPREHENSIVE COVERAGE

Comprehensive coverage pays for damage to your automobile caused by collision with an animal or damage caused by something other than a collision with another vehicle. Comprehensive coverage includes fire, theft, vandalism, water, hail, windstorm, and flood.

Comprehensive coverage can be purchased with or without a deductible. The lending institution that finances your automobile will require that you have coverage on your automobile. The lending institution will be named as a loss payee on your policy so that its financial interest in the automobile is protected. You should be aware that in the event of a total loss of your automobile, the actual value of your car may be less than the balance you owe to your lender.

If you should fail to purchase or maintain coverage on your automobile the lending institution will purchase coverage and you will be required to pay the lending institution any premium it had to pay for this coverage. This lender placed coverage is much more expensive than coverage you can purchase and may protect only the interest of the lender.

PERSONAL INJURY PROTECTION

Personal injury protection is offered in three optional parts. You may purchase any one or all three options. If you decide you don't want any of the options you must reject them in writing.

These options are **medical payments**, which include payments for doctor bills, X-rays, ambulance and funeral expenses; **lost wages** (with certain restrictions) and **death benefits**.

This protects you and members of your household who are injured or killed while riding in your automobile. It also covers passengers in your automobile who are not members of your household if they do not have this coverage under any auto policy of their own. It also covers any pedestrian or cyclist you might strike with your automobile.

UNINSURED MOTORIST

This coverage is available in two parts -- **uninsured motorist bodily injury** and **uninsured motorist property damage**. You may purchase the bodily injury without purchasing the property damage coverage, but in order to purchase the property damage coverage, you must first purchase the bodily injury coverage.

Uninsured motorist bodily injury covers you and members of your household who are injured by an uninsured motorist. This portion pays medical bills, disability and death benefits resulting from the accident.

Uninsured motorist property damage pays for damages to your automobile caused by an uninsured motorist. A deductible may apply. Uninsured Motorist Coverage will be included in your policy unless you sign a statement rejecting the coverage.

UNDERINSURED MOTORIST

Underinsured Motorist pays should you be struck by another driver who does not have enough liability coverage to pay for all of your medical bills. This is designed to pay those uncovered medical expenses up to the limit of the amount of coverage you purchase.

Arkansas Automobile Assigned Risk Plan

If you are unable to obtain auto liability insurance through normal means, your McGhee Insurance Agent can apply for coverage for you through the Assigned Risk Plan.

Notes About Purchasing Automobile Insurance

You should be aware that different insurance companies charge different amounts for essentially the same coverage. If an insurance agent represents only one company (like Allstate, State Farm, Farmers, etc) it would be necessary for you to call several companies in order to find the best deal you could.

McGhee Insurance Agency is an independent agency. As such, we represent many different insurance companies, and our agents do the shopping for you. Our goal is to help you get the best possible coverage at the best possible price.

Here are a few ideas that may help you save money when purchasing your automobile insurance.

Consider increasing the amount of your deductible. Decide how much of the initial loss to your automobile you can afford to pay and see what deductibles various companies offer.

Consider having a deductible on your comprehensive coverage rather than no deductible at all. You may even want the same deductible on both Comprehensive and Collision.

Submit proof that any young drivers have completed a driver education course which meets the standards set by the National Conference of Driver Education. You may be entitled to a discount.

If you have a driver over the age of 16 and under the age of 25 who is either a full time student or a graduate of a college or university with a "B" or better grade average or a 3 point average on a 4 point scale, this driver may qualify for a good student discount.

High performance cars, sports cars and exotic cars are usually rated higher by insurance companies. In fact, it may be difficult to find a company that would be willing to insure the automobile.

McGhee Insurance Agents are trained to search for any discounts the company may offer. If you insure more than one automobile, you may qualify for a multi-car discount. Discounts to nondrinkers, nonsmokers, and accident-free drivers may also be available.

Arkansas law requires insurance companies to give a discount on auto premiums to persons over 55 years of age who have completed a motor vehicle accident prevention course approved by the Office of Motor Vehicles.

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Filing a Claim

Your insurance policy will explain your duties to the insurance company in case of an accident. You should:

Report all accidents to the police.

Report the loss to the company as soon as reasonably possible.

Use reasonable care to prevent further damage to your car.

Cooperate with the company in settling the claim.

File a proper proof of loss which the company will provide to you.

Forward all documents concerning any lawsuit arising from any accident to your company immediately.

Cancellations

An insurance company may cancel your policy after it has been in effect for over sixty (60) days for only the following reasons:

(1) Nonpayment of premium;

(2) Fraud or Misrepresentation in your application for insurance;

(3) Homicide arising out of use of a motor vehicle;

(4) Three separate convictions of speeding and/or reckless driving within the policy period and three months prior to the beginning of the policy period; or

(5) Conviction of driving while intoxicated.

A company must give you a 20 day written notice of their intent to cancel for the above reasons.

However, a company must only give you a 10 day written notice if cancellation is due to nonpayment of premium. Your McGhee Insurance Agent will also receive these notices and will contact you about necessary steps to take to insure you maintain auto insurance coverage.

Non-Renewal

If your company decides not to renew your policy on the expiration date, it must give you a 30 day written notice of its intent. Your McGhee Insurance Agent will then help you apply for coverage with another company. You cannot be refused coverage based solely on the fact you have been previously non-renewed.

Vehicle Insurance Quote Form
McGhee Insurance Agency

Name(s) of Principal Owner: _____

Name of Principal Driver: _____

All Persons Who May Drive This Vehicle:

Name: _____ M/F Age: ____ Married? __ D L Number _____

Name: _____ M/F Age: ____ Married? __ D L Number _____

Name: _____ M/F Age: ____ Married? __ D L Number _____

Name: _____ M/F Age: ____ Married? __ D L Number _____

Accidents or Moving Violations the Past Three Years:

Name: _____ Describe: _____

Name: _____ Describe: _____

Name: _____ Describe: _____

Name: _____ Describe: _____

Has any driver had auto insurance cancelled or non-renewed? ___ Yes ___ No

If yes, explain: _____

Number of Miles To and From Work: _____

Estimated Number of Miles Driven in a Year: _____

Vehicles to be quoted: (Example: 2006 Chevrolet Monte Carlo VIN: xxxxxxxx)

Vehicle 1: _____ VIN: _____

Vehicle 2: _____ VIN: _____

Vehicle 3: _____ VIN: _____

Vehicle 4: _____ VIN: _____