



INSURANCE NEWSLETTER



WINTER 2008

THE TRUTH ABOUT NO FAULT INSURANCE

Stuck at another red light, listening to the local weather report, Sally happened to glance in the rearview mirror. Oh my, he's not going to (crash, bang, boom!) STOP. Hank struck the rear of Sally's vehicle, and the impact forced Sally's car into the intersection.

Sally was stunned for a moment and then realized her knee was stuck in the dash board, her ankle was twisted the wrong way, and she was experiencing pain in her shoulder.

Hank, the driver of the car that struck Sally's vehicle, was trying to open her car door. When the door opened, he said, "I have no fault insurance, so this is not my fault."

No Fault Insurance is one of the most misunderstood auto insurance coverage forms in New York State. The correct name of the coverage is Personal Injury Protection (PIP). PIP is a mandatory coverage that is included on all New York State Auto Insurance policies. The mandatory minimum coverage limit is \$50,000 per person.

Personal Injury Protection Coverage on Sally's policy will pay for the ambulance to take

Sally to the hospital, x-rays, surgery to set her broken ankle, the orthopedic surgeon and all other doctors, hospital expenses, prescriptions, and physical therapy. Sally's PIP will pay 80% of her gross wages up to a maximum of \$2,000 per month for three years. Sally's policy will provide this coverage regardless of fault in the accident.

Hank suffered a broken nose and a sprained knee. The PIP coverage on Hank's policy will pay for the trip to the emergency room, x-rays, the doctor to set his nose, and physical therapy for the sprained knee. Hank also lost time from work and will be paid 80% of his gross wages up to a maximum of \$2,000 per month. Hank's policy will provide this coverage regardless of Hank being at fault or not at fault.

Some important things to note about "No Fault" Insurance:

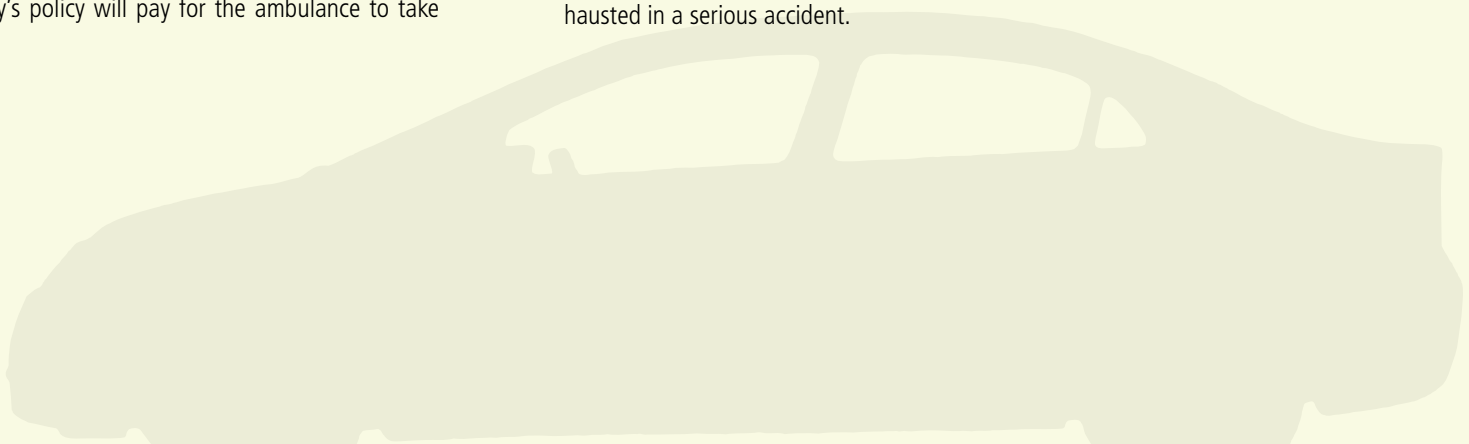
- The basic policy provides coverage for \$50,000 per person limit for the driver, all passengers in the car and any pedestrian injured by the car, because of its use or operation in New York State. The \$50,000 minimum limit can easily be exhausted in a serious accident.

- This coverage is paid regardless of fault thus, "no fault".
- Fault CAN STILL BE ASSESSED by the insurance companies with regard to bodily injury and property damage liability. The insurance companies will assign a percentage of negligence to each driver to determine fault. Therefore, fault can be assessed and is considered in determining payment for other auto insurance coverage areas.

If you have questions regarding your PIP coverage, contact your local AAA Insurance representative for more information. ■

NEXT ISSUE:

- Collision and Comprehensive Coverage
- Water Backup
- AAA Mobile Battery Service





GIVE THE GIFT OF MEMBERSHIP

Not sure what to buy your loved ones this holiday season? AAA membership provides the gift of security and peace of mind throughout the year. AAA membership includes our legendary roadside assistance benefits and more, including:

- Discounts at 150,000 retailers nationwide
- Great rates on auto and home insurance
- Full service travel agency
- 14 locations across Western and Central New York
- 24-hour access online at AAA.com

To order your AAA gift membership, call 1-800-836-CLUB, click AAA.com or visit your local AAA.

GET YOUR CAR READY FOR WINTER



AAA is offering some Get Ready for Winter car maintenance tips to keep your car operating at peak performance this winter.

- Have your vehicle inspected thoroughly to ensure that your tires are properly inflated, fluid levels are full, front and rear lights are operating, and belts and hoses are in good condition.
- Check your battery. The most common cause of cold-weather breakdowns is a weak or dead battery. Good indicators that your battery is weak and may need replacement include a starter motor that cranks the engine slowly when the ignition key is turned or headlights that dim noticeably when the engine speed drops to idle.
- As a safety precaution, equip your vehicle with a winter driving kit in case you are stranded on the road (see recommendations below).
- Before you drive long distances, check the weather conditions along your route.



During the winter months, you should keep a few important items in your vehicle at all times. AAA recommends the following items:

- Charged cell phone (and number of your AAA club road service hotline)
- Blankets
- Extra warm clothes
- Flares, safety triangles, and bright rags to tie to car to make it visible
- Shovel
- Cat litter, sand, or carpet strips for traction
- Windshield scraper
- Snacks and water
- Flashlight and extra batteries
- Tow rope and tire chains (if permitted in your area)
- First-aid kit
- Reading material
- Wooden matches in a waterproof container

Q&A

ADDING A TEEN DRIVER ONTO YOUR AUTO INSURANCE

WHEN SHOULD I ADD MY TEEN ONTO MY POLICY?

If you have a teen preparing to get a permit, contact your AAA Insurance agent immediately. The teen is added onto the policy free of charge for six months, or until they receive their driver's license, whichever comes first. ■

WHAT HAPPENS IF MY CHILD HAS AN ACCIDENT WHILE LEARNING TO DRIVE?

Make sure your teen is covered on your policy before letting them drive your car. If your child is operating the car of a licensed driver training company (such as AAA), the company's insurance will handle any damages. If there is a ticket issued for any motor vehicle violations, it will go onto the driver's (your child's) motor vehicle report.

If your child is operating a parent's vehicle, or a family member's vehicle, the insurance that covers that automobile will handle the claim (i.e. If teen crashes mom's car, mom's insurance policy will cover the accident). ■

HOW CAN I MAKE MY PREMIUM MORE MANAGEABLE?

Discounts are available to help reduce the cost of adding a new teen driver onto your insurance policy. AAA offers the following discounts for young drivers:

- Good student discount – 3.0 GPA or above
- Defensive Driving Course – Requires completion of the NYS six-hour course
- Distant Student – for college students away at school without their own car

Contact your AAA insurance agent for more information. ■

HOLIDAY SHOPPING

BEWARE OF IDENTITY THIEVES

Holiday shoppers should take special care to protect their identities from thieves, says the Insurance Information Institute (I.I.I.). The increased spending during the holiday season provides more opportunities for criminals to steal your identity.

According to the Federal Trade Commission (FTC), over 27 million Americans have been the victim of identity theft in the last five years, costing consumers over \$5 billion in out-of-pocket expenses.

Victims of identity theft are often left with lower credit scores and spend months or even years getting credit records corrected. They often have difficulty getting credit, obtaining loans and even getting hired. According to the Identity Theft Resource Center, the average identity theft victim spends 600 hours to restore their identity.

To protect your money this holiday season, the I.I.I. suggests you:

- Keep the amount of personal information in your purse or wallet to the bare minimum. Avoid carrying additional credit cards, social security card or passport unless absolutely necessary.



- When making purchases, guard your card. Shield your hand when using ATM machines or making long distance phone calls with phone cards. Don't fall prey to "shoulder surfers" who may be nearby.
- Always take credit card or ATM receipts. Don't throw them into public trash containers, leave them on the counter or put them in your shopping bag where they can easily fall out or get stolen.
- If you plan to do your shopping online, make sure that you are buying from a reputable retailer with a secure network.
- Don't rely on your credit card company or bank to alert you of suspicious activity. Carefully monitor your bank and credit card statements to make sure all transactions are accurate.
- Tear or shred any documents that have personal information such as credit card numbers, bank statements, charge receipts or credit card applications. ■

AAA WINTER DRIVING TIPS

It's easy to forget good winter driving safety practices during good weather, but when snow and ice hit, every driver needs expert skills. Here are a few reminders from the AAA driving experts.

- Keep both hands on the wheel at all times. You'll stay more focused on driving and keep better control of your vehicle.
- If you have anti-lock brakes and start to slide, keep a constant steady pressure on them to stop. If you have traditional brakes, pump the brakes to regain traction.
- When you start to skid, steer into the direction your car is moving to regain control. Steering in the opposite direction will only make you fishtail or spin.
- Never pass plows and sand spreaders. Avoid traveling when road crews are out.



- Go slowly and leave lots of room in front of you. You never know what will happen on slick roads, so be prepared for anything including anticipating fast stops and vehicles around you making sudden, uncontrolled moves.

For more winter driving tips, visit AAA.com. ■



MEMBER DISCOUNTS UPDATE

Holiday Savings

Brinks Home Security Systems

Members receive free Security System Needs Analysis and standard installation for just \$29. Plus, get a free second keypad installation. Total savings of over \$200. www.brinkshomesecurity.com

Window Depot USA

AAA members receive 10% off EnergyStar products. Locations in Buffalo and Rochester. www.Windowdepotus.com

Dunkin Donuts

Effective November 15, AAA members receive 10% off their entire purchase at participating locations. See AAA.com for a list.

Payless

SAVE 20% on all regular price shoes and accessories December 1-31. That's double the normal 10% savings that members enjoy year round.

New York and Company

Special Holiday Savings Event from November 11-25. Members save 25% on regular-priced merchandise in stores. That's an extra 10% discount!



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