Auto Insurance for You

Driving your car, a friend's car, or a rental car

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TYPES OF INSURANCE

**COMPREHENSIVE**

Coverage that pays for damage to your car you caused by “colliding” with someone or something. It also pays for damage to your car if something else hits it, like a tree branch or hail.

**LIABILITY**

Coverage only pays for damages you caused to another car, not the damages to yours or the car you are driving, if it’s someone else’s car.
Illinois law:

- If you drive a vehicle, you must have liability insurance or comprehensive insurance that will pay for damages caused by you and your car.
- Insurance must be at least $20,000 for bodily injury for one person; $40,000 for bodily injury of two or more people.
- A minimum of at least $15,000 for property damage; higher limits may be purchased.
- Liability insurance covers you regardless of the car you are driving. You should always check with the insurance company.
THE INSURANCE CARD

Keep your insurance card current and in the car.

- When stopped by a police officer, you will be asked to show proof of insurance.
- If you have insurance but don’t have a current insurance card, you will receive a ticket.
- To have the ticket dismissed:
  - Go to court, show the Judge and prosecutor proof of insurance at the time of the ticket.
  - Deliver proof to the courthouse beforehand and sign an Affidavit to file with case.
  - When you produce proof the car was insured at the time you were stopped, the ticket will be dismissed.
DRIVING A FRIEND’S CAR WITH PERMISSION

- When driving someone else’s car you must have car insurance coverage.
  - Ask where the proof of insurance card is inside of the car before driving.
  - If they can’t produce one, do not drive their car. The consequences are you will receive a ticket if you cannot prove the car was insured.

- Purchasing your own auto insurance may be hard to do, but you can. You can also be added as an “additional insured” to someone else’s insurance policy if you regularly or are likely to drive their car.
OTHER PROTECTIONS

- If you are in an accident that you are accused of causing, your insurance policy, if you have one, will likely cover:
  - your attorney expenses,
  - adjustor expenses, and
  - court costs for defending you.

This can be a major benefit when there is substantial damage to the vehicle but there is a dispute over who caused the accident.
OTHER PROTECTIONS (continued)

- Whether you have collision or comprehensive coverage or another driver’s insurance company is responsible for repairing your car, the insurance company is only going to pay the smaller amount of:
  - The cost of repairing the car to at least as good a condition as before the accident
  - The value of the car at the time of the accident
  - The required cost for a rental car for loss of use, depending on the State.
If you purchase a new car and borrow most of the cost, if you are in an accident, the insurance company would only owe you for a used car (the market value), NOT how much you still owe on the car.

The market value is determined by what a “willing buyer” would pay for your vehicle, taking into account its condition and repair history prior to the accident, not what you believe it should be worth or what you still owe on the car loan.
RENTAL CAR INSURANCE

▸ When renting a car and you do not have your own auto insurance policy, you should purchase the insurance coverage provided by the rental company to drive legally and to protect yourself.

▸ Your credit card company may provide coverage when you use their credit card to pay for the rental. You should check with them before you decline the car rental company insurance.

▸ If you have your own insurance, you should check with your insurance company whether your own policy would pay in case of an accident for damages you caused, especially if outside of the country.
Be careful about assuming you are covered by your policy since this might vary if you are in an accident in a “no-fault” State.

In addition to covering damage to another person, the rental car company will offer to sell you Collision Waiver coverage, which says the rental car company will not ask you to pay for damages they find on the rental car after your use.

This is one you may want to pay for, even if you have insurance, to avoid a dispute about how the damage was caused and reporting to your credit card insurance company.
The rental car insurance will not cover any damages if you allow an unauthorized person to drive the car at any time, even if that person is not driving when the damage occurs.

The rental insurance also will not cover damages if you keep the vehicle for longer than a specific number of days. You must purchase an additional policy for the extra days if you are not using your own insurance for coverage on the rental car.
IMPORTANT CONTACTS AND INFORMATION

- **STUDENT LEGAL SERVICE**  [www.odos.Illinois.edu/sls](http://www.odos.Illinois.edu/sls)
- **Secretary of State (DMV)**  [www.cyberdriveillinois.com](http://www.cyberdriveillinois.com)
- **Division of Auto Insurance**  [insurance.Illinois.gov/AutoInsurance/autoinsurance.asp](http://insurance.Illinois.gov/AutoInsurance/autoinsurance.asp)