SAMPLE INSURANCE COMPANY OF NEVADA

Auto Policy Declarations Page

POLICY PERIOD
Sept. 12, 2020 to March 12, 2021
12:01 a.m. Standard Time

POLICY NUMBER
20-201918

Named Insured(s)
Dan D. Book
Rita Goode-Book
789 Standup Lane
Las Vegas, NV 89999

Agent
Carrie Oakey
(702) 123-4567

Covered Vehicles	Vehicle ID Number	Listed Driver	Driver Age
Vehicle 1: 2017 Toyota Camry	FJF774JCNHF657834N	Dan D. Book	45
Vehicle 2: 2015 Ford Escape	XMFHJ4875NJ59598JF	Rita Goode-Book	44
Vehicle 3: 2001 Ford Fiesta	VNJFN9347UOFLNE9	Drew A. Book	17

Coverage	Limits	Premium Vehicle 1	Vehicle 2	Vehicle 3
Bodily Injury Liability Property Damage Liability	$250,000 each person $500,000 each accident $50,000 each accident	$253.04	$195.50	$583.25
Uninsured/Underinsured Motorist Coverage	$250,000 each person $500,000 each accident	$81.50	$62.35	$169.47
Medical Payments	$10,000 each person	$24.00	$24.00	$52.30
Comprehensive Deductible:	Vehicle 1: $500 / Vehicle 2: $100 / Vehicle 3: N/C	$23.52	$38.88	N/C
Collision Deductible:	Vehicle 1: $1,000 / Vehicle 2: $500 / Vehicle 3: N/C	$127.78	$183.42	N/C
Towing and Labor	$35.00 each disablement	$3.50	$3.50	N/C
Rental Reimbursement	$20.00 per day/ $600.00 maximum	$15.30	$15.30	N/C
Totals		$528.64	$522.95	$805.02

	Vehicle 1	Vehicle 2	Vehicle 3
Lienholder:	None	Bonanza Credit Union	None
Vehicle Usage:	Commute: > 15 miles 1-way	Pleasure < 7,500 miles	Student
Discounts:	25% - Accident-Free Multi-Vehicle Home/Auto Air Bags Anti-Lock Brakes	25% - Accident-Free Multi-Vehicle Home/Auto Air Bags Anti-Lock Brakes	25% - Accident-Free Multi-Vehicle Home/Auto 25% - Good Student 15% - Drivers Ed

Auto Declaration Page Activity

1) **Which car is the most expensive to insure? Why do you think that is?**
   a. The Ford Fiesta, because it has a 17-year-old driver. Youthful driver rates are dramatically higher than for driver that are 25 years and older. Statistically the number of at-fault accidents dramatically reduce as the experience of the drivers increase.
   Teacher Note: Statistics and graphs related to accidents related to driver age can be found at: https://aaafoundation.org/rates-motor-vehicle-crashes-injuries-deaths-relation-driver-age-united-states-2014-2015/

2) **What do the three liability coverage numbers stand for?**
   a. Liability insurance protects you against financial loss if your actions, your negligence or the condition of your property is found to cause a person to be injured or killed, or a person's property to be damaged or destroyed.

   The first coverage is amount paid to the third-party for injuries sustained in the accident, which includes payments for medical bills, pain and suffering and loss of wages. The second is the maximum amount to be paid for third-party bodily injury regardless of the number of individuals injured. The third number represents the maximum amount that will be paid for other's property that was damaged, which is typically damage to the other party's cars.

3) **Drew's vehicle insurance does not contain material damage coverage on his vehicle. If Drew's Fiesta is in an accident that costs $2,300 to repair, which coverage is needed to cover the damages, and how much would the insurance company pay?**
   a. The Fiesta does not have collision coverage, which covers damages caused by and collision, such as a vehicle accident, so there would be no payment from the insurance company.
   Teacher's Note: When you compare the cost of premiums to the value of a vehicle, the decision is often made to not carry coverage on older vehicles; especially those driven by younger drivers.

4) **Which car has a lienholder? Why would a lienholder impact insurance coverages?**
   a. The Escape has a lienholder. Lenders require comprehensive and collision coverages and often will not allow higher deductibles. That could be why the Escape has lower deductibles than the Camry.

5) **Comprehensive coverage provides payments for accidental damage to covered vehicles. Examples are damage by falling objects, theft, vandalism and broken windshields. A branch fell on the Camry during a storm and caused $475 worth of damage. How much will the insurance company pay on this claim?**
    a. The Camry has a $500 deductible, so the insurance company would only pay for the cost that exceeded that amount. The insured will pay for this entire loss.

6) **How much will insurance on the Ford Fiesta cost if Drew has an at-fault accident?**
    a. The accident-free discount is 25%, so the Fiesta would increase to $1,006.28

7) **Dan injured his shoulder from an accident he caused. Which coverage and how much is available to help pay for Dan's medical bills?**
    a. Medical coverage is available, which will pay for up to $10,000 of medical bills.

8) **How much is Drew saving with his car insurance by maintaining a B or better average?**
    a. The Good Student Discount saves 25%

9) **What is a reason Liability and Uninsured/Underinsured Motorist coverages cost less for the Escape than the Camry?**
    a. Rita drives the Escape less than 7,500 miles per year, while Dan drives the Camry more than 30 miles per day driving his car to and from work. The more miles a vehicle is driven, statistically the chances of being involved in an accident, and the insurance rates are accordingly higher.

10) **Why are comprehensive and collision coverages more expensive for the Escape than the Camry?**
    a. The Escape has lower deductibles for comprehensive and collision coverages, and the lower deductibles cost more than higher deductibles.

<u>Bonus Question</u>: Each vehicle has a "listed driver" on the Declarations Page. Can those drivers only drive the vehicles they are listed on? Can anyone else drive their vehicles with the owners' permission?

Drivers are listed on the vehicles they are primarily driving, and the listed driver's driving record, miles driven, driver's age, etc. are used for premium development purposes. With Nevada's permissive use laws, any driver driving a car with the owner's permission is covered under the vehicle's insurance policy. If a friend borrowed your car and got into an at-fault accident, the insurance covering your vehicle is primary, not the insurance policy which covers the friend who is borrowing the vehicle.