

Automotive Safety

Accident In A Borrowed Car Could Be Covered

(NAPSA)—The first time you read your auto insurance policy shouldn't be after an accident. But all too often, the multipage policy suddenly becomes, not just a "must read," but a "must understand now."

Let's say you borrow your neighbor's SUV and accidentally

ram it into a telephone pole, causing \$3,000 in damages. Your neighbor expects you to pay for repairs. The question is, will your auto insurer cover

the claim? According to Arthur L. Flitner, CPCU, senior director of Knowledge Resources at the American Institute for CPCU and Insurance Institute of America, and CPCU Society member, you need to determine the following:

- Is the claim within the scope of an insuring agreement in the policy?
- Does any exclusion eliminate or restrict coverage for the claim?
- Do any policy conditions affect the coverage for the claim?

To find the answers you need, The CPCU Society provides the following pointers for navigating through your personal auto policy:

Find the Right Insuring Agreement

Turn to the policy's "Damage to Your Auto" section. If the insuring agreement for this section says that the insurer will cover direct and accidental loss to "your covered auto" or any "nonowned auto," minus any applicable deductible, you have cleared the first hurdle.

Review the Exclusions

Exclusions, if applicable, restrict the broad terms of the insuring agreement. In your case, you find that none apply.

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Review the Conditions

- Policy conditions require that you promptly notify the insurer as to how, when and where the accident occurred, if you want to be covered.

- Since this is a nonowned auto, another condition determines that the insurer will only pay what is not collectible under the owner's policy. If the owner's policy covers all but \$1,000, your policy will pay the remainder, minus your deductible.

Seek Advice from a Qualified Agent

The CPCU Society's more than 28,000 members hold the Chartered Property Casualty Underwriter (CPCU) designation, which requires passing eight rigorous undergraduate- and graduate-level examinations, meeting experience requirements and agreeing to be bound by a strict code of professional ethics. The CPCU designation is awarded by the American Institute for CPCU.

To find an insurance agent that has a CPCU designation, visit www.cpcusociety.org and access the Agent & Broker Locator. You can also call (800) 932-CPCU.

