

# Car Facts

## The Top Things You Don't Know About Your Car Insurance

(NAPSA)—Americans have gone to sleep dreaming of cars ever since the first Model T was rolled off the assembly line in 1908. Some dreamt of the cool bullet nose on the 1950 Studebaker Commander Convertible. Some dreamt of classic muscle cars like the 1969 Ford Mustang “Boss 429.”

When dreamers become drivers, however, they'd better be darn sure they comply with state laws mandating that they carry auto insurance. Most states won't even issue you a license unless you're covered for liability against injuries and property damage done to others.

If it's been too long since you checked your auto insurance policy, you may be surprised by what you may or may not be covered against. Read on:

- **Remember This Word: Depreciation**

Picture this scenario you (probably) wouldn't wish on even your worst enemy: Only a few short weeks have gone by since you proudly drove your brand-new car off the lot, when suddenly—wham!—it's totaled in an accident.

If you're like a stunning 52 percent of those questioned for an “Insurance Literacy” survey conducted recently by Zogby International for MetLife Auto & Home, you've been operating under the assumption that you're automatically covered for the car's full replacement cost. Uh, not necessarily. Most insurers subtract for depreciation—and you'd be surprised how much “value” disappears once you drive off the lot. Only a select few like MetLife Auto & Home will make you



### WHAT DREAMS ARE MADE OF: A classic 1960s Ford Mustang.

whole during a policy's first year and/or 15,000 miles.

- **It's Possible To Be “Upside Down” on a Totaled Vehicle**

The past few years have made us all more familiar with this term, as applied to home mortgages, than we ever wanted to be. However, the same principle applies to auto loans. Say you still owe \$15,000 on your loan. If you're in an accident and your car ends up being declared a total loss but is still valued below the loan payment, guess what: Unless you had the foresight to purchase “gap” insurance, you're still responsible for repaying the difference on your loan.

- **Leasing Isn't a Free Pass**

Ah, but you say you don't actually own your car. Nice try, but even if the vehicle you demolished (see above) was leased, you'd also need to have purchased gap insurance to have your insurer cover replacing it and paying off your lease obligation.

- **The Rental Car Conundrum**

Talk about probably wasting an average of \$9 to \$19 a day. Even though most auto insurance policies and credit cards extend (varying) rental insurance benefits to

customers, 28 percent of those surveyed said they nevertheless signed up for the insurance offered by rental car companies when not driving their own cars.

- **Check Your Homeowners Policy**

If someone steals your cell phone or MP3 player from your car, don't expect most standard auto policies to cover its replacement cost. That's handled by homeowners, condo and renters insurance.

- **Money-Savers Not To Be Overlooked**

Why leave money on the table when you don't have to? While 93 percent of those surveyed knew they could get a break on their insurance if they had a good driving record, only 63 percent were aware that discounts also exist for things like carpooling or limiting travel below a certain number of miles per year.

Similarly, only 19 percent knew you could save as much as 28 percent by buying auto insurance through programs offered by employers.

So what's the takeaway from all this? Well, if you just go by the Zogby results, perhaps it's no wonder that 77 percent of those surveyed said they were willing to pay more for the “peace of mind” that comes with better coverage. “People want to avoid costly surprises,” said Bill Moore, president of MetLife Auto & Home. “Knowing what you're covered for can make all the difference at the time of a claim.”

To test your knowledge of auto insurance and see how you stack up against those surveyed, visit [www.metlife.com/insurancequiz](http://www.metlife.com/insurancequiz).