## **Auto Insurance Policyholder Protections**

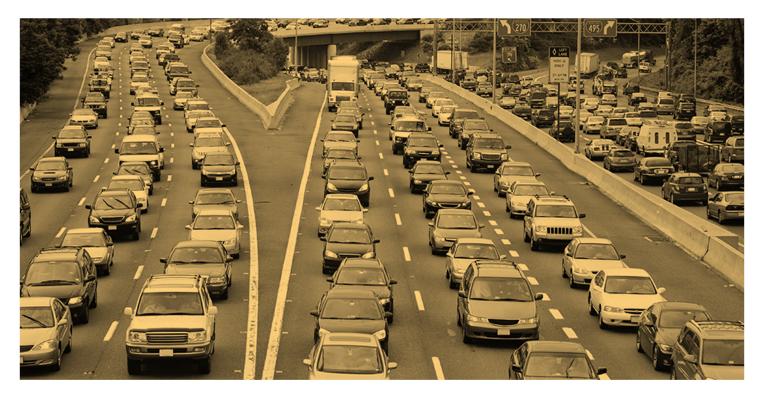
Auto insurance is a contract between the policyholder and the auto insurer. The policyholder agrees to pay a premium to the insurer and the insurer agrees to pay losses as defined in the policy.

## Auto Insurers Provide Essential Financial Protections to Policyholders

Every U.S. state except New Hampshire requires its drivers to have auto liability insurance before they can legally drive a car. Liability insurance pays the other driver's medical, car repair, and other costs when the policyholder is at fault in an accident.

When a policyholder purchases optional collision and comprehensive coverage, in addition to auto liability insurance, the policyholder has property, liability, and medical coverage:

- Property coverage pays for damage to, or theft of, the car.
- Liability coverage pays for the policyholder's legal responsibility to others for bodily injury or property damage.
- Medical coverage pays for the cost of treating injuries, rehabilitation, and • sometimes lost wages and funeral expenses.





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