

Virginia Department of Education

Module Ten Transparencies

Driver Responsibilities: Making Informed Choices

Topic 1 -- Insuring Vehicle

Topic 2 -- Purchasing Vehicle

Topic 3 -- Trip Planning

Topic 4 – Virginia's Conservation Concerns

Provided in cooperation with the Virginia Department of Motor Vehicles

Ownership Responsibilities



Costs:

- Insurance Costs
- Purchase and Financing Costs
- Maintenance and Operating Costs
- Registration and Inspection Costs



Insuring a Car

- ✓ **VA Law requires you to provide proof of financial responsibility**
- ✓ **Your parents' policy covers you while you have a learner's permit**
- ✓ **If you still owe money on your car, your lender may require collision insurance**



Financial Responsibility Law

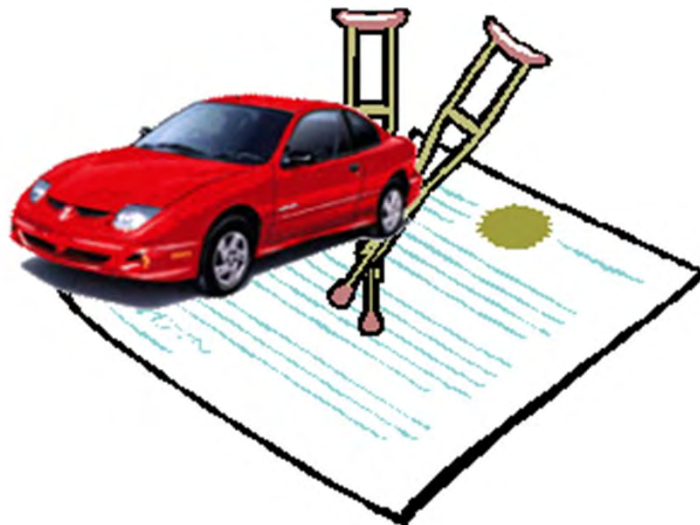
- \$ Minimum liability coverage**
- \$ Alternatives to insurance coverage**
- \$ Types of proof of financial responsibility**
- \$ When you must show proof of financial responsibility**
- \$ Penalties for driving without insurance**



Virginia Auto Insurance

Required Minimum Liability Coverage in VA

- ✓ \$25,000 for bodily injury / death one person
- ✓ Up to \$50,000 for bodily injury / death two or more persons
- ✓ \$20,000 for property damage



Virginia Auto Insurance

You must show Proof of Financial Responsibility when you:

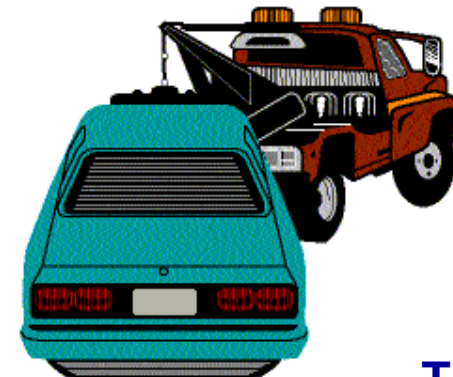
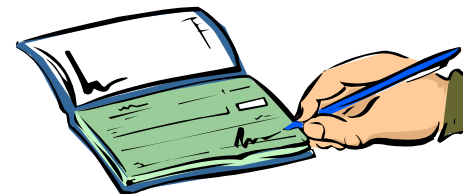


- ✓ are asked for it by a police officer;
- ✓ have a collision; or
- ✓ register your vehicle or renew its plates.

Virginia Auto Insurance

Penalties for Driving without Proof of Financial Responsibility

- \$500 fine
- Suspension of your driver's license
- Suspension of your vehicle registration
- Higher insurance premiums for the next 3 years (SR-22)
- If you caused the crash, you are responsible for other people's losses



Virginia Auto Insurance

Facts on the Declaration Page of Your Policy

- ❖ The exact name of your insurance company
- ❖ The policy number
- ❖ Your coverage and how much it costs
- ❖ Your deductibles, if any
- ❖ The vehicles insured on the policy, their vehicle identification numbers and their classifications for rating purposes

Virginia Personal Auto Policy

Seven Types of Coverage

- ✓ Liability
- ✓ Medical Payments
- ✓ Uninsured/Underinsured Motorist
- ✓ Collision
- ✓ Comprehensive
- ✓ Towing and Labor
- ✓ Rental Reimbursement



Liability Coverage

Pays:

- ✓ Other people's medical expenses
- ✓ Other people's auto repairs
- ✓ Property damage

Covers:

- ✓ You
- ✓ Your family
- ✓ Others driving with your permission

Required?

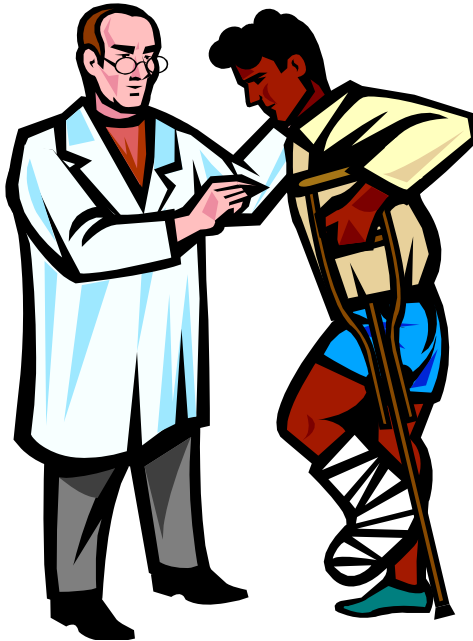
- ✓ Yes, required by Virginia law



Medical Payments Coverage

Pays:

- ✓ Medical expenses
- ✓ Funeral expenses



Covers:

- ✓ You
- ✓ Your family
- ✓ Your passengers



Required?

- ✓ Not required by Virginia law

Uninsured/Underinsured Motorist (UM/UIM) Coverage

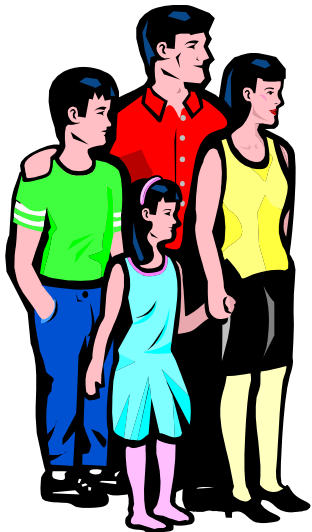
Pays:

- ✓ Medical expenses
- ✓ Funeral expenses
- ✓ Car repairs
- ✓ Car rental
- ✓ Replacement of damaged contents



Covers: (if hit by an uninsured/underinsured or hit-and-run motorist)

- ✓ You
- ✓ Your family
- ✓ Your passengers



Required?

- ✓ Not by Virginia law, but company must offer



Collision Coverage

Pays:

- ✓ Your car repair
- ✓ Your car replacement

Covers:

- ✓ Your car
- ✓ Regardless of driver or who was at fault

Required?

- ✓ Not by Virginia law, but often required by the finance company that loaned you the money to buy the car



Comprehensive Coverage

Pays:

Car repair or replacement after:

- ✓ fire
- ✓ hailstorm
- ✓ theft or other non-collision event
- ✓ rental car after theft



Covers:

- ✓ Actual cash value of your car



Required?

- ✓ Not by Virginia law, but often required by car finance companies

Towing and Labor Coverage

Pays:

- ✓ Towing
- ✓ On site labor charges such as changing a tire
- ✓ When your car is disabled



Covers:

- ✓ Your car



Required?

- ✓ Not required by Virginia law

Rental Reimbursement Coverage

Pays:

- ✓ A rental car while your car is being repaired
 - ✓ after a crash
 - ✓ after comprehensive losses

Covers:

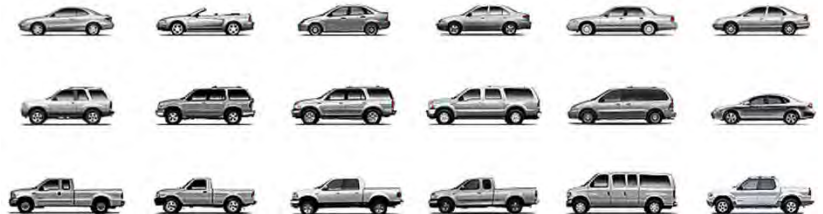
- ✓ You
- ✓ Your family members

Required?

- ✓ Not required by Virginia law



Car Rental
Company



Insurance Costs

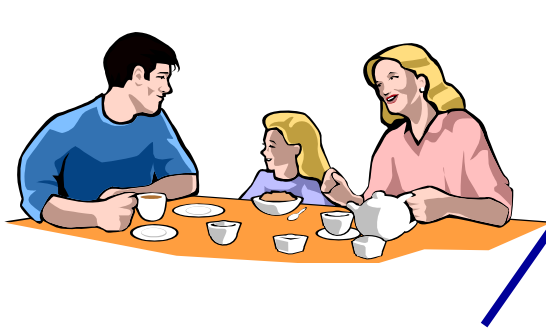
- **How are car insurance rates determined?**
- **What factors are used in establishing rates?**
- **Discounts?**



Insurance Costs

Factors used to determine your premium:

Your Age, Marital Status, Driving Record, and Grades



Highest Rates

- ✓ Male drivers under 25
- ✓ Unmarried women under 21

Type of Car



Collision and comprehensive rates

- ✓ Highest for luxury, high-performance, and sports cars
- ✓ Higher for cars that damage easily
- ✓ Higher for cars that cost more to repair

How you use your car

Higher for cars driven a lot of miles and used for school, work or business

Where you live and drive

Urban counties have more crashes and auto thefts so rates tend to be higher than those in rural areas

Insurance Costs

Factors used to determine your individual premium:

Your Deductibles

- ✓ Your share of the cost of a collision or comprehensive claim
 - ✓ You can reduce your premium by raising your deductibles
-

Surcharges

- ✓ Penalties added for accidents and certain traffic violations
-

Discounts

- ✓ Some are required by the state, while others are incentives offered by insurance companies

Premium Discounts

Education and Car Equipment Savings

NOTE: SOME insurance companies offer the following discounts

Auto Insurance Discount	Savings
Defensive driving courses	Percent off Liability, Collision, and Medical Payments
Airbags and other passive restraints	Percent off Medical Payments and Bodily Injury
Drug / alcohol education	Percent off Liability, Collision, Medical Payments, and Bodily Injury
Anti-theft devices	May Reduce Comprehensive premium; amount varies by device and county
Two or more cars on a policy	May reduce Liability, Medical Payments and Collision Insurance costs

Insurance Premium Discounts

Some companies may give discounts for:

- **Your age and annual mileage driven**
- **Policy renewal, no claims, good driving record and anti-lock brakes**
- **A parent or family whose young driver is away at school without a car**
- **Full-time college and high school students with a "B" or 3.0 grade point average**
- **Cars with automatic daytime running lights**
- **Membership or adult leadership in certain youth organizations**

High Risk Drivers

➤ High risk drivers (bad driving record)

- ✓ Each company has its own rules for deciding whether to insure high risk drivers
(Called “underwriting guidelines”)
- ✓ Usually much harder to get car insurance
- ✓ Must pay higher premiums

➤ Assigned-risk drivers

- ✓ VA Auto Insurance Plan—requires all insurance companies to take some high risk drivers
- ✓ High risk drivers are assigned to an insurance company by the state
- ✓ Surcharges are added for at least 3 years



High Risk Drivers

Your Driving Record May COST You

Crashes or Violations	Surcharges Your premium MAY increase by:
One collision (at-fault) in 36 months	15%
Two collisions	35%
Three collisions	60%
Each moving violation (speeding, etc.) (Surcharges will apply for certain traffic violations.)	Varies
Involuntary manslaughter	60%
Driving under the influence	60%
Criminally negligent driving	60%

Paying for Insurance

- ✓ Many people can't afford to pay their car insurance premium in one installment
- ✓ Insurance companies must offer installment plans
- ✓ Agents and insurers may use finance companies that will
 - **lend you money at high interest rates to pay insurance premiums**
- ✓ Look for insurance companies that offer installment plans with low interest and fees

Installment Plan

Number of Months _____

Interest Rate _____%

Client

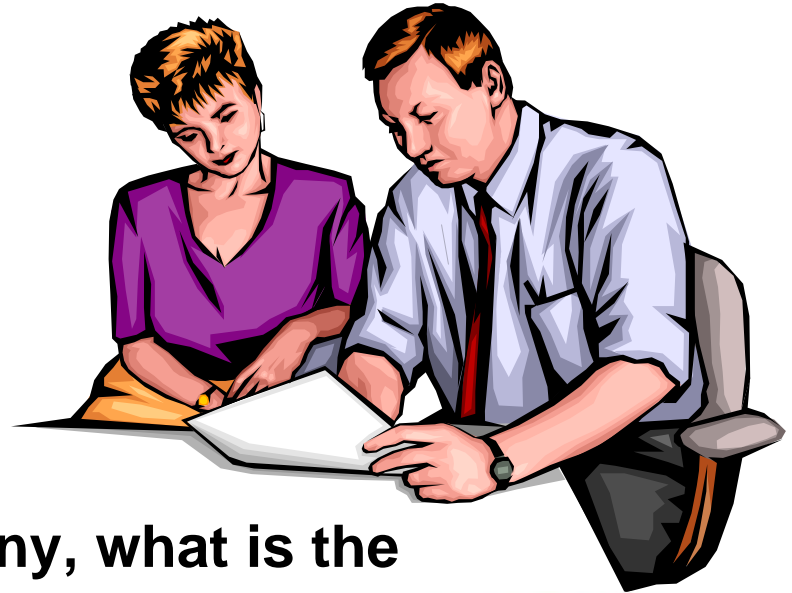
Company Representative



Paying for Insurance

Ask the agent:

- ✓ Who will provide my installment plan?
 - the insurance company, or
 - a premium finance company
- ✓ If it is a premium finance company, what is the interest rate?
- ✓ How much is the down payment?
- ✓ How much is my monthly payment?
- ✓ How many payments do I make?
- ✓ How much is my total payment?
(annual or six-month premium plus interest)



Paying for Insurance

Use a worksheet to compare the installment packages offered by agents and companies

INSTALLMENT PLAN WORKSHEET

Agent or Company Names

Interest Rate, if any

Down Payment

Monthly Payment

Number of Months

Total you pay

Losing Your Insurance

Cancellation

- ✓ First 60 days, company can cancel for any reason, including a ticket or a collision
- ✓ After policy is in effect more than 60 days, can cancel but:
 - must give 10 days' notice before canceling
 - Must refund unearned premium



Note: Cancellation for non-payment is effective immediately.

Non-renewal

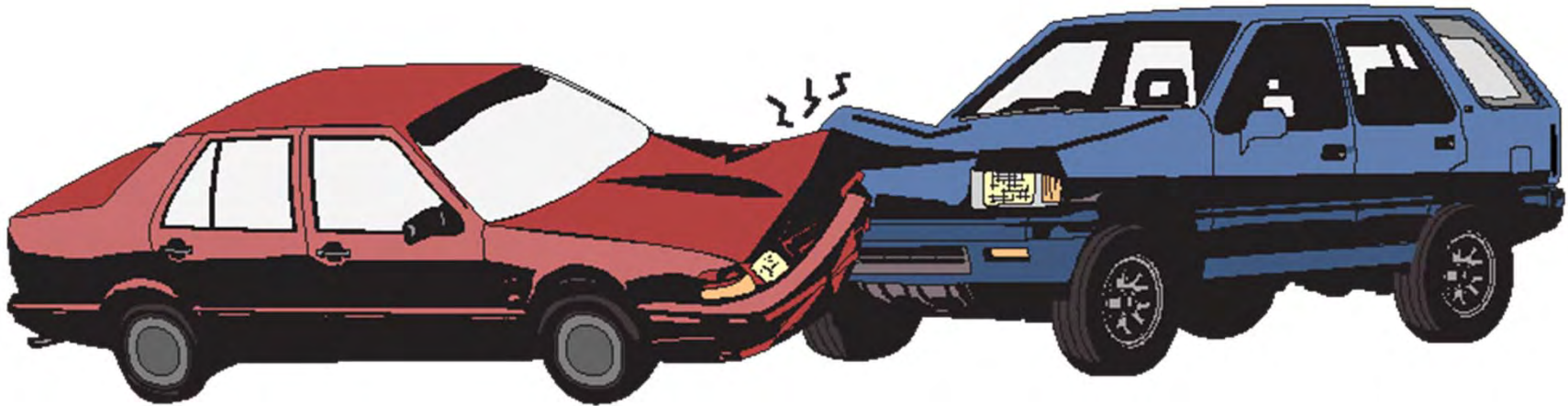
- ✓ Company will not offer a new contract

Request Reasons in Writing

- ✓ Why company canceled the policy
- ✓ Why company will not renew the policy



After the Collision



What Now?

- ✓ Discuss what your policy requires you to do after a collision
- ✓ Your uninsured motorist coverage pays for hit-and-run collisions only if the crash is reported to the police

After the Collision

Involved in a Crash

- ✓ Stop as close to the scene as possible
- ✓ Check for injuries - make sure your passengers and those in the other vehicle(s) are OK
 - if anyone is injured or killed contact police immediately
 - if no one is injured and your vehicle can be moved, move it from blocking the traffic flow
- ✓ Notify police
- ✓ Warn oncoming traffic
- ✓ Exchange information
 - provide insurance information
 - obtain information from others involved and witnesses
- ✓ Notify your insurance company as soon as possible



After the Collision

What should you do when you are involved in a crash and have a claim?

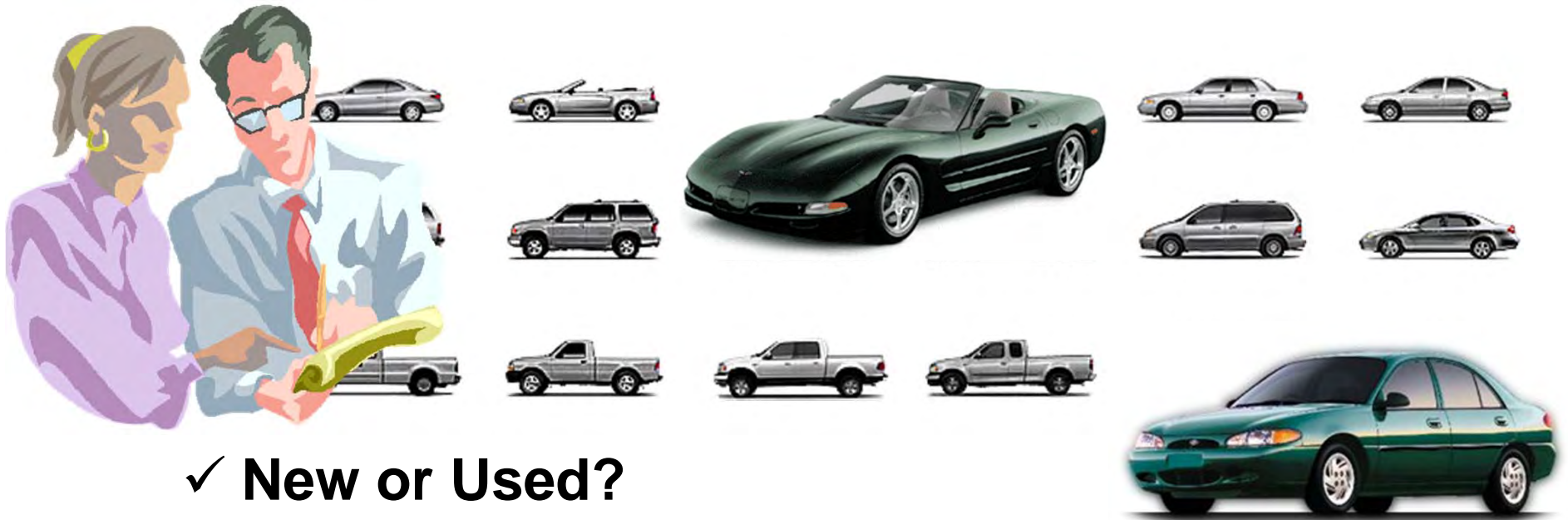


- ✓ **Notify your insurance company promptly**
- ✓ **Your agent can help you file the claim correctly and completely fill out any forms needed to verify your claim**
- ✓ **Keep a copy of the forms for your records**



If the company rejects your claim or pays only part of it, you should be given an explanation for that decision.

Buying a Car



- ✓ New or Used?
- ✓ Why Do I Need It?
- ✓ What Safety Features are Needed?
- ✓ How Much Will it Cost?
- ✓ How Economical is It?
- ✓ What Options Do I Need?



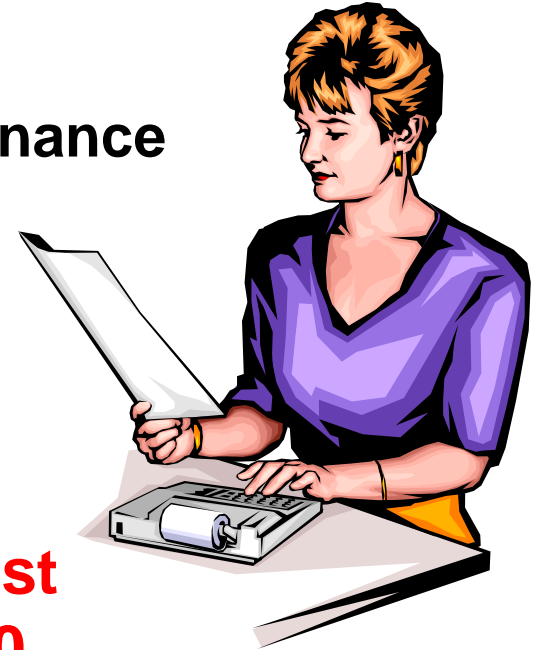
Your Monthly Payment

Vehicle Price Formula

Purchase Price x Interest Rate x Length of Finance

Purchase Price -	\$10,000
Interest Rate -	8 percent
Length of Finance -	24 months

**Purchase Price + Sales Taxes + Interest
= Total Price Approximately 11,592.00**



What is your monthly payment?

Your Monthly Payment

Vehicle Price Monthly Payment Formula

Cost of Vehicle \$10,000.00

3.5% Titling Tax

8% Interest on Loan (based on unpaid balance)

Loan is over 24 Months.



$$\frac{\text{Price} + \text{taxes} + \text{interest}}{\text{\# of months}} = \text{Monthly payment}$$

$$\frac{\$10,000.00 + \$350.00 + \$1200.00^*}{24} = \$481.25$$

*1st year interest = \$10,000 x .08 = \$800

*2nd year interest = \$5,000 x .08 = \$400

Planning an Extended Trip

- ✓ **Preparing the vehicle**
- ✓ **Loading considerations**
- ✓ **Basic and emergency equipment needs**
- ✓ **Personal preparation**



Trip Costs

- ✓ Lodging (hotel/motel)
- ✓ Meals
- ✓ Tolls
- ✓ Possible Repairs
- ✓ Fuel
- ✓ Calculating Fuel Costs



- 1500 mile trip
- Car gets 22 mpg
- Fuel costs \$1.60 per gallon



Formula: $\frac{1500}{22} \times \$1.60 = \109.09

Map Reading

City Maps

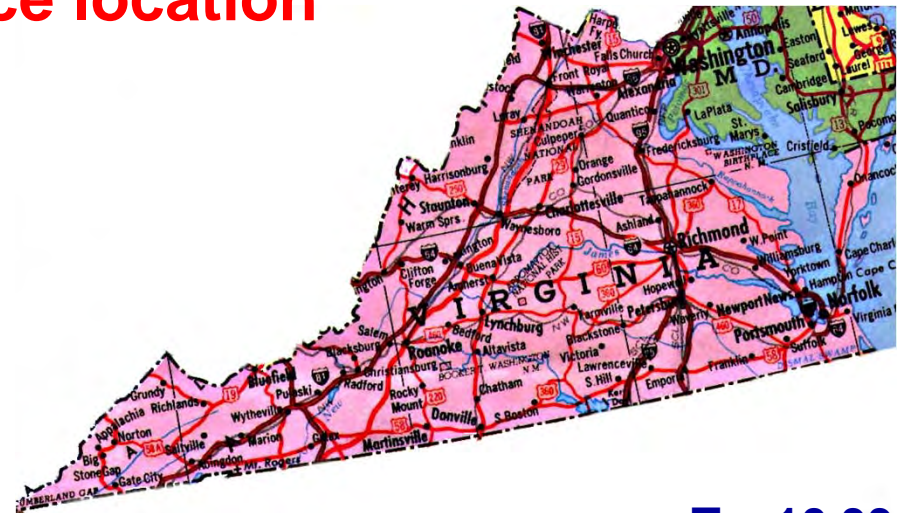
- ✓ North orientation
- ✓ Legend (explains the markings and symbols on the map)
- ✓ Street Index
 - Letters/numbers reference location
- ✓ Determining Distances
 - Map scale



Map Reading

State Maps

- ✓ North orientation
- ✓ Legend (explains the markings and symbols on the map)
- ✓ Town/City index
- ✓ Coordinates
 - Letters/numbers reference location
- ✓ Maps of major cities
 - Map scale
 - Mileage chart

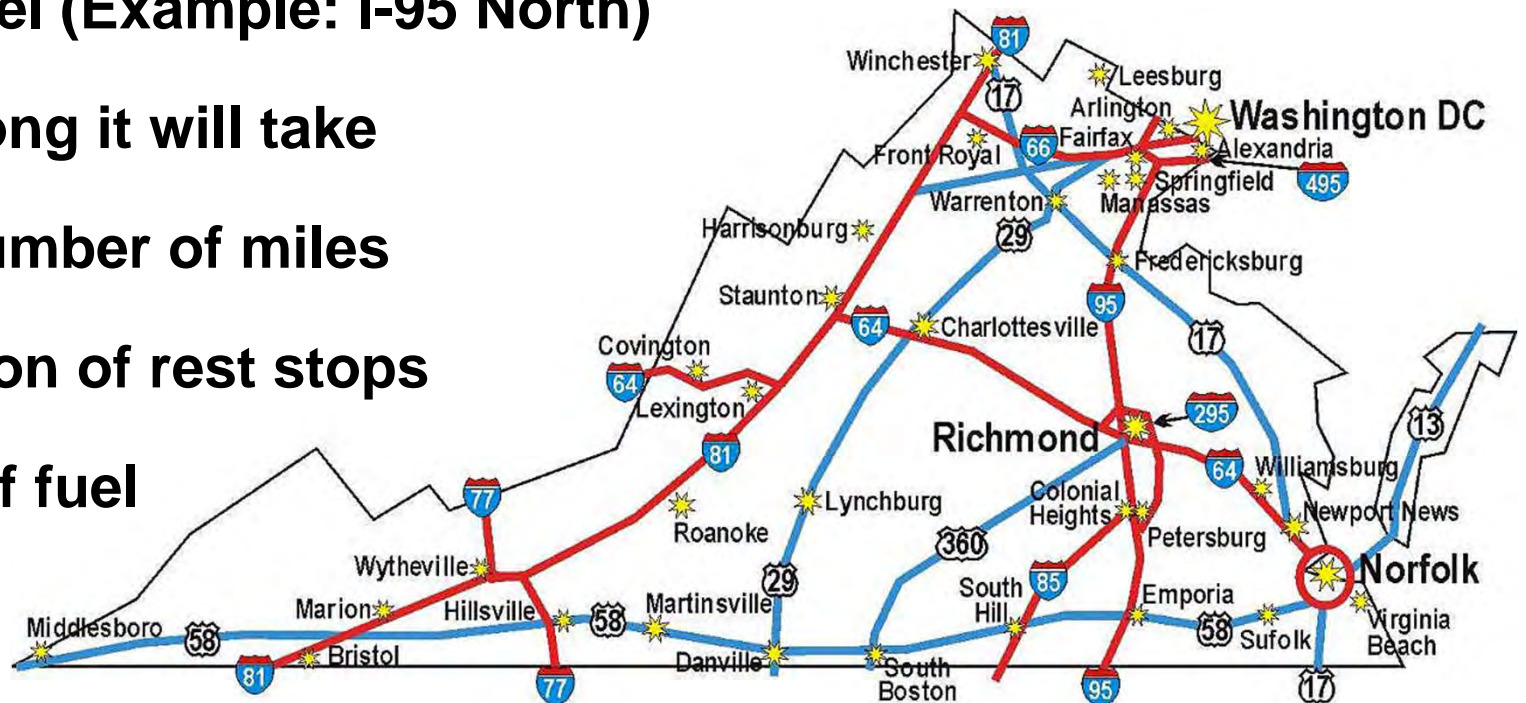


Destination Driving

Using a Virginia map, plan a trip from your home to a point in Virginia more than five hours away

(Your car gets 20 mph - cost of fuel is \$1.60/gallon)

- ✓ List the route numbers you could use with the direction of travel (Example: I-95 North)
- ✓ How long it will take
- ✓ The number of miles
- ✓ Location of rest stops
- ✓ Cost of fuel



Conserving Virginia's Natural Resources



When operating your vehicle

- ✓ Accelerate smoothly.
- ✓ Drive at moderate speeds.
- ✓ Avoid unnecessary braking and try to anticipate the traffic ahead.
- ✓ Avoid excessive idling.
- ✓ Join a car pool for commuting to and from school or work.
- ✓ Keep your vehicle in good working order.
- ✓ Recycle old oil and fluids.
- ✓ Recycle old vehicle parts.

Conserving Virginia's Natural Resources



Disposal of Vehicle Parts and Fluids

Hazardous substances need to be disposed of in the proper manner -- not just dumped onto the ground or poured down the drain.

- ✓ take items to the nearest hazard waste collection center or other appropriate collection location such as an automotive repair shop; or
- ✓ contact your local health department to find an appropriate drop-off location.



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Conserving Virginia's Natural Resources



Tips for handling toxic substances

- ✓ call your local recycling center, service station, sanitation center, or local health department to review proper recycling procedures
- ✓ read all labels carefully to ensure you are using the correct container
- ✓ monitor and fix automotive fluid leaks
- ✓ to prevent spills, use a funnel for pouring automotive fluids
- ✓ whenever possible, avoid leaving leftover liquids in the container
- ✓ catch any drained fluid and store in a container, or a well-sealed and labeled plastic jug
- ✓ never discard used automotive fluid in sinks, storm drains, the garbage, or on the ground
- ✓ store automotive fluids separately — NEVER mix them together