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FLORIDA AUTOMOBILE INSURANCE

Letter Of Clarity

By Jeffrey D. Soud, Esq.

The SOUD Law Firm / February 2012

The following is a discussion on certain aspects of Florida automobile insurance that I hope may be useful to you. Although you may have insurance in place now, or even if you recently purchased or renewed it, you can change it at any time to meet your needs. Do not be afraid to change what you currently have. The coverage you have may not be adequate.

You should shop around with the major insurance companies (except Allstate and Nationwide), and do it in person sitting across from an agent, to get the best price possible. You should ask your insurance agent to "give you a quote" on the following types of coverage:

Bodily Injury / Liability (This covers people you hurt) – Purchase 100,000 per person / 300,000 per accident or more if you can. *Why? Because as an attorney, if I had a client even moderately hurt, I might seek a judgment against you if I know you have property or a good paying job. I might be able to garnish your wages or take your property.* That's why buying, as much of this as you can afford is important! If you can, buy 300/300 or 300/500 or 500/1mil. You could even consider what's called an "Umbrella Policy". This, for instance, provides 1 million in coverage over and beyond what your home and auto policies provided. This runs between \$200 and \$400 per year, and sometimes is not a bad deal.

Uninsured / Underinsured (UM) – This covers YOU (and your family) when people, who don't have any insurance or don't have enough insurance, hurt YOU – Buy as much of this as you can afford. It is usually limited to an amount equal to Bodily Injury/Liability you purchase. If you get into a bad accident with an uninsured driver/owner, who is going to make your house and car payments when you can't work? This is assuming you don't have "disability insurance" or AFLAC. But even if you had disability insurance, UM pays you for the injury you receive and the pain and suffering caused by the negligence of another. I know there are other types of insurances you could buy, such as health insurance, homeowner's insurance, disability insurance, dental, vision and the like. Our focus here is on Florida Auto Insurance and UM is a major opportunity to protect yourself and your family very economically.



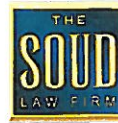
Personal Injury Protection (PIP a/k/a “No-Fault Coverage”) – This is a \$10,000 benefit. No more, no less. Basically, it pays out for your Medical Bills (at 80%) and your Lost Wages (at 60%) up to the limit of \$10,000. Keep in mind that your health insurance is *secondary payor*. Your health insurance kicks in after the auto insurance is used-up (“exhausted”). The important thing to emphasize here is: **Whatever you do, Do Not elect a PIP deductible (Not \$250, Not \$500 and certainly Not \$1,000) PIP pays for your car accident injuries regardless of the fact the other person caused the accident, and it does not matter if you were in your car or if your car was parked at home.** So long as the accident was in Florida, it covers you and your “resident relatives”. This coverage is mandatory. To be legal on Florida roads you need this (PIP) and “Property Damage” (PD) coverage, discussed below. I recommend more than this, but these two (PIP & PD) make you “legal”, but NOT well covered, in my opinion.

Medical Payments (Med Pay) – This is a supplement to pay your medical bills not completely covered by the 80% PIP. Specifically, Med Pay will pay that 20% balance of the medical bills not paid by your PIP coverage mentioned above. Because of Med Pay, you receive 100% coverage for your medical bills. I believe you should purchase at least \$5,000 in coverage. If you can afford it, (and the premiums won’t be that bad, so ask) I would recommend upwards of \$30,000.

Property Damage – This pays for damage you cause to other people’s property. This will pay for the damage you cause to another person’s car or truck or fence, if you run into it. In Florida you are required to have at least \$10,000 in coverage. I would recommend, given the high price to fix or replace cars these days that you purchase upwards of at least \$25,000 in coverage.

Comprehensive Coverage (theft, fire, storm, etc.) – If your car becomes damaged, not the result of a collision, this coverage will pay to fix your car, or, if the cost of fixing your car exceeds what your car is worth, this coverage will pay the market value of your car (sometimes called Actual Cash Value “**ACV**”). It usually has a deductible associated with it ranging between \$100 to \$500 dollars. Select the lowest deductible you can afford. If you are financing your car through a lender, all lenders require you to carry this and Collision Coverage so as to protect their loan.

Collision Coverage – This pays for damage to your car, which was the result of an accident with another motor vehicle. This should kick in if (1) you were at fault for the accident; or (2) the person that hit your car is without insurance to repair or replace your car; or (3) the other person does not have enough insurance to repair or replace your car. Similarly, this coverage will have a deductible associated with it ranging between \$100 to \$500 dollars. So again, get the lowest deductible you can afford. As stated above, most banks or lenders who have a lien on your car will require you to



carry this coverage to protect their interests. Even if your car is paid for and you own it outright, you should consider keeping this coverage if you are not willing to sacrifice the ACV of your car if it is destroyed. Most people forego this coverage when their car is not worth very much (\$500-\$3000) and the premium payment for this coverage is at a level where, after 2 years of paying this premium, it would equal the value of the car.

Car Rental and Travel Expenses – ask for quotes and buy as much as you estimate is needed and fits your budget. *If you don't have your car (while it's being repaired) and the other person doesn't have insurance, how are you getting to work? Can you borrow a car from family or friends?*

Towing Coverage – If you ever need a tow for just about any reason, (your car breaks down or your battery dies) this coverage will reimburse your towing expense. This is not just for “accident” cases. However, keep in mind that most tow truck companies will require payment before doing the job. Get a receipt, submit it to the insurance company and get reimbursed. This can be an inexpensive coverage and well worth the cost in the long run.

Conclusions:

Take the time to shop. Go to your insurance agent(s) and ask for a quote. You should get quotes from at least three different insurance companies. You should make a personal visit to the insurance agent's offices in your area, not over the phone. If you make a day of it, you could visit more than three.

Work Sheets: In the PDF I am enclosing work sheets to help you shop for your automobile insurance. It should make the experience a little more tolerable. More importantly, with the use of these sheets, you should be able to identify what coverage best fits your budget and family needs. Take them with you when you visit the insurance agents. There is nothing to hide. Let them know you are shopping around, and to give you their best price.

Paying Your Insurance Premiums: Try to pay your insurance premium in full every 6 months, if possible. This will eliminate a monthly bill and, more importantly, the possibility of missing a payment, resulting in NO coverage. Cancellation due to non-payment at the time you really need it, can be really bad. Avoid this at all costs.

I know you believe this is important. What you may not have considered is devoting a little more time in order to get the best value for your dollar and at the same time provide excellent coverage for you and your family.

*How To Buy Florida Auto Insurance
That Best Protects You & Your Family*



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The latest statistics I heard are that a Florida driver can expect to be in an accident once every 10 years; and that 1 in 4 drivers in Florida are not insured to cover YOU! I can tell you from my 18 + year perspective of knowing thousands of car accident victims, that car accidents at the very least are a major headache and in the worst case are devastating to a family beyond belief. The inherent risks are well known. So take my advice and avoid the known risks.

I hope the information and work sheets are helpful. Should you have any questions, please do not hesitate to call.

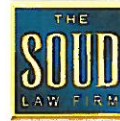
Very truly yours,

The Soud Law Firm

A handwritten signature in blue ink that reads "Jeffrey D. Soud". The signature is stylized with a large, looped "J" and a long, sweeping underline.

Jeffrey D. Soud, Esq.

*How To Buy Florida Auto Insurance
That Best Protects You & Your Family*



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Recommended Choice #1

<u>Coverage</u>	<u>Amount</u>	<u>Premium</u>
Bodily Injury	300/500	\$ _____
UM	300/500	\$ _____
PIP	\$10,000	\$ _____
Med Pay	\$20,000	\$ _____
Property Damage	\$50,000	\$ _____
Comprehensive	w/ \$500 Deductible	\$ _____
Collision	w/ \$500 Deductible	\$ _____
Rental and Travel		\$ _____
Towing	_____	\$ _____
_____	_____	\$ _____
(Umbrella Coverage – w/ UM)		
_____	_____	\$ _____
(what else have they got)		
Total Premium		\$ _____

At the Very Least Choice #2

<u>Coverage</u>	<u>Amount</u>	<u>Premium</u>
Bodily Injury	100/300	\$ _____
UM	100/300	\$ _____
PIP	\$10,000	\$ _____
Med Pay	\$5,000	\$ _____
Property Damage	\$15,000	\$ _____
Comprehensive	w/ \$500 Deductible	\$ _____
Collision	w/ \$500 Deductible	\$ _____
Rental and Travel		\$ _____
Towing	_____	\$ _____
_____	_____	\$ _____
(Umbrella Coverage – w/ UM)		
_____	_____	\$ _____
(what else have they got)		
Total Premium		\$ _____

Your Choice #1

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<u>Coverage</u>	<u>Amount</u>	<u>Premium</u>
Bodily Injury	__00/ __00	\$ _____
UM	__00/ __00	\$ _____
PIP	\$ ____,000	\$ _____
Med Pay	\$ ____,000	\$ _____
Property Damage	\$ _____	\$ _____
Comprehensive	w/ \$500 Deductible	\$ _____
Collision	w/ \$500 Deductible	\$ _____
Rental and Travel	_____	\$ _____
Towing	_____	\$ _____
_____	_____	\$ _____
(Umbrella Coverage – w/ UM)		
_____	_____	\$ _____
(what else have they got)		
Total Premium		\$ _____

Your Choice #2

<u>Coverage</u>	<u>Amount</u>	<u>Premium</u>
Bodily Injury	__00/ __00	\$ _____
UM	__00/ __00	\$ _____
PIP	\$ ____,000	\$ _____
Med Pay	\$ ____,000	\$ _____
Property Damage	\$ _____	\$ _____
Comprehensive	w/ \$500 Deductible	\$ _____
Collision	w/ \$500 Deductible	\$ _____
Rental and Travel		\$ _____
Towing	_____	\$ _____
_____	_____	\$ _____
(Umbrella Coverage – w/ UM)		
_____	_____	\$ _____
(what else have they got)		
Total Premium		\$ _____