Today’s Lecture  
State Farm Car Policy  
- Other people using your car  
- Your using other cars  
- Other people using other cars

Coverage for Other People Using Your Car  
Anybody using your car with permission is covered under your policy. Coverage on your car is primary over any other coverage.

Other People’s Use of Your Car - Example  
You let your neighbor borrow your car. He has his own insurance with Fireman’s Fund with the same limits and coverages you have. He hits a pedestrian who sues and is awarded $150,000 in bodily injury.

Other People’s Use of Your Car - Example  
A 0  
B 50,000  
C 100,000  
D 150,000  
E None of the above

Other People’s Use of Your Car - Example  
Someone steals your car and runs it into a tree. The driver incurs $30,000 in medical bills and it costs $6,000 to repair your car.

Other People’s Use of Your Car - Example  
A 0  
B 5,900  
C 6,000  
D 25,000  
E 30,000  
F 30,900  
G 31,000  
H 35,900  
I 36,000  
J None of the above
Permission

Once granted, permission to use your car continues until revoked.

Your Use of Other Vehicles

- Newly Acquired Car
  - Replacement Car
  - Additional Car
- Non-Owned Car
- Temporary Substitute Car

Definitions

Relative - means a person related to you or your spouse by blood, marriage or adoption who resides primarily with you. It includes your unmarried and unemancipated child away at school.

Newly Acquired Car

Replacement Car - means a car purchased by or leased to you or your spouse to replace your car. To have coverage you must tell us about it within 30 days and pay any additional premiums.

Newly Acquired Car

Additional Car - means an added car newly owned or newly leased to you or your spouse. You will only have coverage if all other cars are insured by State Farm. Coverage runs until the earlier of 12:01 AM on the 31st day after delivery or the effective date of a policy describing this car on the declarations page.

Non-Owned Car

Not owned, registered or leased by:
- you or your spouse
- any relative unless at the time of loss
  - the car has had liability insurance within the last 30 days and
  - the driver is an insured who does not own or lease the car
- any other person residing in the same household as you, your spouse or any relative
  - an employer of you, your spouse or relative
Non-Owned Car

Does not include a:
• car rented by or on behalf of the insured’s employer
• car which has been operated or rented by or in the possession of an insured during any part of each of the last 21 or more consecutive days

Temporary Substitute Car

A car not owned or leased by you or your spouse that replaces your car for a short time while your car is out of use due to its breakdown, repair, servicing damage or loss.

Coverage for Use of Other Cars Liability

Covers you, your spouse and relatives when using:
• Your car
• Newly acquired car
• Temporary substitute car
• Non-owned car

Coverage for Use of Other Cars Liability

Covers any person with permission using:
• Your car
• Newly acquired car
• Temporary substitute car

Coverage for Use of Other Cars Liability - Example

You are driving your daughter’s car and she has 20/40/15 liability limits with Allstate. You cause an accident that results in a $110,000 bodily injury claim from one person.
### Coverage for Use of Other Cars

#### Liability - Example

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<tbody>
<tr>
<td>A</td>
<td>0</td>
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<tr>
<td>B</td>
<td>20,000</td>
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<tr>
<td>C</td>
<td>90,000</td>
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<tr>
<td>D</td>
<td>100,000</td>
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<tr>
<td>E</td>
<td>None of the above</td>
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#### Medical Payments
- Covers you, your spouse and any relative
  - Occupying any car covered for liability
  - As a pedestrian if struck by a motor vehicle
- Covers any other person while occupying a vehicle covered for liability except a non-owned car
- Covers any other person while occupying a non-owned car if injury results from operation or occupancy of you, your spouse or relative

#### Medical Payments - Example
Your son, who lives with you, borrows a friend’s car that is not insured. Your son is in an accident, injuring a passenger who incurs $1,500 in medical bills.

#### Un(der)insured Motor Vehicle
- Covers you, your spouse and any relative
- Covers any other person while occupying your car, a temporary substitute car or a newly acquired car
- Covers any other person while occupying a non-owned car while being driven by you or your spouse

#### Un(der)insured Motor Vehicle
You rent a car while on a trip. This car is insured only for liability coverage. While driving this car you are hit by an uninsured driver. You would be entitled to a $50,000 bodily injury award if this driver had been insured.

#### Physical Damage
Coverages you have on your car extend to a newly acquired car, temporary substitute car and a non-owned car, but the non-owned car must be being driven by or in the custody of you, your spouse or relative at the time of loss.
### Use of Other Cars - Example

**Physical Damage - Example**

You buy a new car but decide to keep your Cadillac. On the way home from the car dealer, you roll the new car, causing a total loss. You had just paid $20,000 for the car.

| A | 0 |
| B | 19,900 |
| C | 20,000 |
| D | ? |
| E | None of the above |

### Use of Other Cars - Example

Your son lives with you but is too cheap to buy auto insurance. You borrow his car one day. The brakes don’t work, because your son is also too cheap to get these repaired. You crash into another car, causing $25,000 in bodily injury to a passenger in the other car, $2000 in damage to the other car and $700 in damage to your son’s car.

| A | 0 |
| B | 600 |
| C | 27,000 |
| D | 27,600 |
| E | None of the above |

### Use of Other Cars - Example

While your car is being repaired from a previous accident, you borrow a car that has only liability insurance. You get into another accident. You incur $3,000 in medical bills and cause $1,000 in damage to the car.

| A | 0 |
| B | 900 |
| C | 3000 |
| D | 3900 |
| E | None of the above |