

Collision Coverage	This coverage pays for the damage to <i>your</i> vehicle that is the result of an accident. You can collect from your collision coverage whether or not you are at fault. Collision coverage is <i>always</i> sold with a deductible.
Comprehensive Coverage	This coverage applies when your vehicle is damaged but not in a collision with another vehicle. Examples include: weather damage (example: hail dents your vehicle), your vehicle is stolen or you hit a large animal and damage your vehicle. As with Collision Coverage, Comprehensive Coverage comes with a deductible.
Coverage or Coverages	The events or outcomes that an insurance policy will reimburse the policyholder for.
Deductible	The amount that the policyholder must pay before the insurance company pays for any vehicle repairs. All Collision Coverage is sold with a deductible. Example: your auto insurance policy has a \$500 deductible. Your vehicle is damaged in a collision. It costs \$2,000 to repair your vehicle. Your insurance company will pay \$1,500 towards the repair - you must pay the \$500 dollars that's deductible from their coverage payment. <b><i>The higher the deductible on your policy, the lower your premium will be.</i></b>
Driving Record	Your driving record is an indication of your past accidents and moving violations (like speeding) where you received a traffic ticket. (Parking tickets do not count as a moving violation.) The fewer past accidents and violations you have, the lower your auto insurance premium will be. <i>Insurance companies can and will cancel insurance policies for those drivers who have accidents and/or moving violations, especially younger drivers.</i>
Emergency Road Service Coverage	This coverage pays for towing costs and labor costs when your car is disabled. There is usually a low limit (~\$25 per tow) on this coverage, and some insurance companies will not offer Towing and Labor Coverage on older vehicles. (Also known as: <i>Towing and Labor Coverage.</i> )
Exclusions	When something isn't covered by your policy this is called an exclusion. For example, some policies will exclude covering any damage to your automobile if it is damaged when you drive off-road, or if you're driving the vehicle out of the country.
Fair Market Value	The value of your vehicle based on its age and other factors (like mileage and condition). Your insurance company may indicate that the fair market value is less than the amount you owe on the car (see <i>GAP Insurance</i> ).
GAP Insurance	This coverage covers the difference between the amount your insurance company will pay you if your car is totaled (the "fair market value" of the car) and how much debt you still have left on the car. GAP stands for <i>Guaranteed Auto Protection</i> . Example: your vehicle is two years old. You still owe \$18,000 on your vehicle note. The insurance company calculates that your vehicle's fair market value is only \$14,000. <i>Therefore, unless you have GAP insurance you may be in an accident, your vehicle may be totaled, and you may owe the company that financed your car purchase \$4,000.</i>
Impoundment	The government taking away your vehicle in the event you fail to maintain legally-required Minimum Coverage Levels. If you are in an accident and you don't have required the Liability Coverage required in Louisiana, the government has the right to impound your vehicle. You get your vehicle back only after you purchase the required insurance and pay any fines and impoundment costs.

Liability Coverage	This coverage pays for property damage or personal injury <i>to others</i> - <b>not</b> you or your passengers - when you are in an accident and the accident is your fault. Liability insurance covers the cost of repairing any property damage caused by the accident as well as medical bills from resulting injuries.
Louisiana Automobile Insurance Plan	This insurance is for drivers who have been turned down when they attempt to get insurance from insurance companies. This insurance is typically more expensive than other insurance and typically covers less complete coverage. This is really a "policy of last resort" for drivers who cannot get any "regular" auto insurance.
Medical Coverage	This coverage pays for <i>your</i> medical expenses and the medical expenses of your family members and other passengers in your car.
Minimum Coverage Levels	In Louisiana all vehicles must have minimum liability coverage of \$15,000 for bodily injury to one person, \$30,000 for bodily injury if more than one person is injured, and \$25,000 for property damage to the vehicle you hit or other property. This limit is often abbreviated 15/30/25.
Policy Cancellation	This is when an insurance company decides you are too much of a risk and they decide they don't want to cover you any more. Insurance companies can also cancel a policy if the policyholder doesn't pay the policy premium. Insurance companies must give 20 days notice to drivers when they are canceling a policy because of a moving violation or an at-fault accident. Insurance companies must give only a 10 days notice for non-payment of a premium.
Premium	The price of an insurance policy. Insurance companies may allow policyholders to pay their premium in one annual payment, quarterly payments (that means every three months) or monthly payments.
Rental Reimbursement	This coverage pays for a rental car you can use if your car is damaged in an accident (or other covered incident) and the repair takes several days or weeks. Different insurance companies offer different types of Rental Reimbursement. Some provide reimbursement for only a very low amount per day (~\$25). Some limit the total amount they will reimburse for a rental car (~\$250). Some will only allow you to rent a car from a rental car agency they designate. <i>You have to ask if your policy provides this coverage, and if so what the limits of the coverage are.</i>
Rental Vehicle Insurance Coverage	This coverage applies in case you're in an accident while driving a rental car. Some insurance policies cover rental vehicles you are driving, some do not - you have to ask your agent and read the details of your policy. Some credit cards claim to provide Rental Vehicle Insurance Coverage, but they typically only provide coverage <i>after</i> you've made a claim with your personal auto insurance company.
Towing and Labor Coverage	See <i>Emergency Road Service Coverage</i> above.
Uninsured / Underinsured Motorist Coverage	This coverage pays for your medical costs and the medical costs of your passengers if your vehicle is damaged by a vehicle with no insurance or too little insurance to cover your full medical costs.