

# Auto Liability Limits

47 pts.

Stephanie has been driving for 4 years without any major accidents – until today. It was pouring rain when she left class, and while driving home she was forced to make an evasive maneuver that caused her to go into a spin on the wet road. After knocking an expensive high-end luxury car down an embankment, Stephanie smashed into the side of a mid-range sedan. Her large front grill protected her own car from any damage. Stephanie has 100/300/100 liability coverage, but no other insurance.

She was at fault in the accident, so let’s look at the extent of the damage she caused.

**Luxury Car:** This car was totaled at a value of \$95, 000.

**Accord:** This car will need \$6000 in repairs.

**Hospital Bills:** The driver of the luxury car had \$15,000 in medical bills for a broken arm. The passenger had \$45,000 in medical bills for a broken arm that required surgery.

1. Using the accident summary, **list** each item that applies, and then **calculate** the total dollar value of this accident. (7 pts)

a) Damages to others –

b) Personal damages -

2. What portion of the damages that Stephanie caused others will her insurance company pay? (9 pts)

	Cost	Amt. Covered	Amt. Not Covered
Driver’s Bodily Injury	_____	_____	_____
Passenger’s Bodily Injury	_____	_____	_____
Property Damages	_____	_____	_____

3. What will Stephanie’s total out of pocket costs (after insurance) be for this accident? (1 pt)

4. What else will/might Stephanie have to pay for? (2 pts)

Jeff is a college student, struggling to pay all his bills. His friends convinced him to purchase Oregon’s minimum insurance coverage for his SUV. He was just involved in an accident in which he fell asleep at the wheel, crossed the centerline and hit an oncoming car. He then ran off the road, and crashed through the front windows of a 7-11 store. Although no one was hurt in the 7-11, both he, and the family in the Accord, were injured and transported to the hospital.

He was at fault in the accident, so let’s look at the extent of the damage he caused.

**SUV:** This car was totaled at a value of \$18, 500.

**Accord:** This car was totaled at a value of \$25,000.

**Hospital Bills:** The driver of the Accord had \$10,000 in medical bills for a broken leg. The passenger had \$185,000 in medical bills for a collapsed lung and ruptured spleen that required surgical repair. Jeff had \$14,800 in medical bills for 2 broken bones.

**7-11:** The damage to replace the windows was \$12,000.

1. What coverage does Jeff have? (1 pt)
2. Using the accident summary, **list** each item that applies, and then **calculate** the total dollar value of this accident. (8 pts)

a) Damages to others –

b) Personal damages –

3. What portion of the damages that Jeff caused others will his insurance company pay? (9 pts)

	Cost	Amt. Covered	Amt. Not Covered
Driver’s Bodily Injury _____			
Passenger’s Bodily Injury _____			
Property Damages _____			

4. What will Jeff’s total out of pocket costs (after insurance) be for this accident? List the items and calculate the total \$ amount. (6 pts)

5. What else will/might Jeff have to pay for? (4 pts)