

10 Things You Need to Know about International Auto Insurance

1) One Policy Does Not Fit All – Most standard insurance policies written in the United States will not cover your vehicle once you leave the country, so it's essential that you purchase coverage for your time abroad.

2) Consult With the Locals – It's very important to understand the local requirements in the country where you plan to insure your vehicle. In some cases, you must purchase Primary Liability coverage from a local provider, but can choose to obtain Excess Liability from an international insurer.

3) Who's in Charge Here? – It's important to find out if your host country has an authority that regulates and enforces insurance policies. In the event that you choose a local insurance provider, who will defend your interests if you encounter a problem or dispute? An international insurance provider can offer you peace of mind should an issue arise and there isn't a local authority to help.

4) Dissecting a Policy – An international auto insurance policy contains several components that you should be familiar with: 1) Comprehensive and Collision: this coverage protects you at all times, whether or not you're inside the vehicle and whether your vehicle is parked or in use; 2) Primary (Third Party) Liability: this coverage is purchased based on local requirements and may be obtained from an international provider; 3) Excess Liability: this coverage can be obtained from an international provider to increase your policy's limits.

5) Would You Like Add-On Coverage With That? – Add-on coverage includes disablement and towing, as well as rental reimbursement. It's a common assumption that auto insurance policies extend to rental cars, but this isn't always the case. Check with your provider to determine if this is covered under your policy.



6) Know Your Role – Find out what your deductible is and exactly how it applies. This can vary based on the situation, so get familiar with your policy and what it means for you.

7) Avoid Unnecessary Hurdles – An insurance policy is measured by the ease and effectiveness of its claims process. Filing a claim can produce a headache or a smile, depending on how your claim is processed. When choosing an international insurance provider, investigate the claims process – some require local adjusters, waiting periods and other hurdles that keep you from finishing the race.

8) Not Everything That Happens Abroad Stays Abroad – You might think you have enough insurance, but it's possible you have too little. If you don't have enough liability protection and you're involved in an auto-related incident overseas, a case could be brought against you in your home country. Would you be fi-

nancially prepared to defend yourself? The right international auto insurance would eliminate this risk.

9) Dollars & Sense – Currency fluctuation is a consideration when purchasing international auto insurance. Some world currencies are unstable, while others are steadily rising or falling. In a volatile world economy, do you prefer the U.S. exchange rate or the U.S. dollar for your policy? We're thinking the latter, too.

10) Lost in Translation – Translating an insurance policy into a different language isn't the same as translating for a friend during conversation. The terminology in insurance policies isn't always clear when translated, so make sure you and your provider are sure about what your policy states if it's in a different language.

From Our International Claims File:

After moving to Kenya, John decided to purchase his mandatory auto insurance from a local provider. During his time there, he lost control of his Mitsubishi Pajero and hit a parked Land Rover. Although no one was injured in the accident, he caused \$7,000 worth of damage to the Land Rover and \$5,000 worth of damage to his own vehicle.

He immediately contacted his local provider to file a claim for a total of \$12,000. The local provider issued John a claims check in the amount of \$5,000 for repairs to his vehicle. This part of the claim was covered by the Comprehensive and Collision (Physical Damage) component of his policy.

Although John had purchased the required Primary (Third Party) Liability, the remainder of his claim was denied because the local policy only applied in the event that someone had been injured.

If John had purchased Excess Liability Insurance from an international insurance provider, he would have been covered for the remaining \$7,000.