

## Better Business Bureau

### FOR IMMEDIATE RELEASE

#### **Hit-and-Run Accidents Can Hit Insured Drivers by Surprise**

Basic insurance coverage may not be sufficient to cover expenses

**March 2008** – Even though the total number of non-fatal crashes declined steadily from 6.3 million to 5.9 million from 2003 to 2006, the ratio of hit-and-run accidents remained unchanged, according to the National Highway Traffic Safety Administration (NHTSA). During that four-year period, one of every 8 accidents nationwide was a hit-and-run.

But there were significant regional variations. For example, with more than one million hit-and-run crashes, the South had nearly three times as many hit-and-run incidents as the Northeast (366,000) and nearly twice as many as the West (650,000).

“Many drivers are unprepared for the consequences of becoming the victim of a hit-and-run crash when the other driver cannot be identified,” said Edward Johnson, President & CEO of the local Better Business Bureau. “Instead of the at-fault driver’s auto insurance policy covering the victim’s costs for medical expenses, vehicle repairs and a replacement rental car, it ends up being the victim’s responsibility to pay the deductible, as well as all other expenses.”

According to the Insurance Information Institute, a non-profit consumer education organization, consumers can protect themselves from the financial consequences of a hit-and-run accident. For example, not being able to identify the other driver is the same as being involved in an accident with an uninsured driver. But, uninsured motorist coverage, which pays for injury and damages caused by an uninsured or hit-and-run driver, is not obligatory in every state. Therefore, some insured drivers are not covered. Uninsured motorist coverage can easily be added to an auto insurance policy.

In addition, some auto insurance companies do not automatically cover the cost of a temporary replacement rental car while a car is being repaired, even if it was caused by a hit-and-run driver. Most cars are in a repair shop for two weeks after an accident. Considering that the average daily rate for a rental car is \$50, it can end up costing more for a one-day rental car than for one full-year of replacement rental car coverage, which is only a couple of dollars a month.

According to the data from the NHTSA, 80 percent of hit-and-run accidents cause vehicle damage only. Therefore, the victim’s largest expenses usually are for repairs and a replacement rental car.

To help insured drivers become better prepared for any type of motor vehicle accident, a Web site at [www.wiserdrivers.com](http://www.wiserdrivers.com) has been developed with information from the Insurance Information Institute and the Better Business Bureau, both non-profit organizations. In addition to tips, the Web site encourages drivers to review their auto insurance policy annually to make sure they have adequate coverage for various types of crashes – those that are their fault, those that are not their fault, and hit-and-run.

“Many of us think that we’re well prepared to deal with an accident, but people often don’t take the time to read and understand their policy,” says Carolyn Gorman, Vice President of the

Insurance Information Institute. Most policies are very specific and provide detailed explanations about what is automatically included and what additional low cost options are available.”

The Better Business Bureaus agrees. “Comparison shopping for price is important, but even more importantly, consumers need to ensure they have appropriate coverage, because a few dollars saved in the short run can cost consumers a fortune in the end,” said Johnson.

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