



THE INSURANCE COMMISSION
OF THE BAHAMAS

THINGS YOU SHOULD KNOW ABOUT BUYING MOTOR INSURANCE

THIS NOTE IS NOT A SUBSTITUTE FOR SEEKING THE ADVICE AND ASSISTANCE OF A REGISTERED INSURANCE INTERMEDIARY.

Types of Coverage

There are three major coverages for motor insurance. Depending on the coverage, costs may vary.

- **Third Party** is the minimum insurance required by law. It is an offence to drive a motor vehicle without third party insurance. Third Party coverage insures against the legal liability of damage to another party's property, as well as death or bodily injury of the third party, if the insured is at fault.
- **Third Party, Fire & Theft** is a type of coverage that provides all the protection of third party insurance, with the added coverage for incidents of fire and theft.
- **Comprehensive** insurance includes Third Party, as well as Fire & Theft coverage. It also insures against any damage to the insured's own vehicle.

How is your Insurance Rate Determined?

In general, the categories listed below influence what you will pay for car insurance.

- **Age and Gender of the Driver** — Age and gender are two factors often used by insurers to rate insurance policies. For example, young males are more likely to be involved with motor vehicle accidents and can expect to pay higher premiums. Both of these factors, however, can be partly neutralized by a clean individual driving record.
- **Claims Experience** — Your insurer will ask about your claims history, and this history is used in determining the premiums you pay. The better your claims history, the lower your premiums, and the higher your no-claims discount.
- **Additional Drivers** — Adding additional drivers to a policy allows the insurer to factor in who is using the vehicle. The more drivers there are on a policy, the higher the risk of claims.
- **Vehicle Usage** — Is the vehicle being used every day or is it only used occasionally? How an insured intends to use the vehicle (whether for business or personal purposes) will influence what is paid for insurance.



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Discounts

Insurers often offer motor insurance discounts. For example, you may get a discount for insuring multiple vehicles, having a home insurance policy with the same insurer, or having a good claims history. However, these discounts may differ from insurer to insurer. Be certain to ask if you qualify for any discounts.

Shop Around

When shopping for auto insurance, remember that insurer's rates vary. When seeking quotes, it is important to provide the same information to each intermediary. **Consumer Protection Information**

Before signing any insurance application, make certain the insurer and intermediary, i.e. agents, brokers, sub-agents, and salespersons, are registered with the Insurance Commission. This information may be found on the Commission's website (www.icb.gov.bs). In the Bahamas an insurer may not sell insurance products directly to a consumer. **It is against the law for anyone to conduct insurance business without being registered with the Insurance Commission.**

Read Your Policy Carefully

Consumers should be aware that a motor insurance policy is a legal contract. A consumer's rights and responsibilities, and those of the insurer should be clearly outlined in the insurance policy. When auto insurance is purchased, customers should always receive a physical copy of the policy. This copy should be read carefully. Consumers should ensure that the contents are understood. If there are any questions about the policy, customers should contact their insurance intermediary for clarification.

