

When you bought your auto insurance policy, it's a pretty good bet that you didn't stop to think about which parts will be used for your car if it is wrecked. We all just assume that the cars will be repaired and put back on the road, as good as new. But North Carolina law and your auto insurance policy language could leave you feeling like you didn't get what you thought you paid for.

OEM stands for original manufacturer's equipment and this moniker is used for parts built by your car company for your car. If you have a Toyota Highlander, then chances are if that vehicle is wrecked, you will expect that all repairs will be made with Toyota parts built for the Highlander. But that assumption would be wrong. Insurance companies have no obligation under the NC auto insurance policy language to make sure that all replacement parts used in a repair are OEM parts. In fact, since OEM parts generally cost more, most repairs that the insurance company pays for are done with replacement parts that were not manufactured by the original car manufacturer.

In truth, these replacement parts may be as good or even better quality than the OEM parts. But people's expectations are for OEM parts so bad feelings can be generated in the claims process when a person, whose car was hit by someone else, discovers that the insurance company paying the claim won't foot the bill for OEM parts in his or her car. The solution to this problem is to take action ahead of time. If OEM parts are a big deal to you, then you can add the OEM parts endorsement to your auto policy to make sure that the costs of these parts is covered. There are a few restrictions with the OEM parts endorsement on the North Carolina auto insurance policy. First of all, most insurance companies will require that you make the choice to add this endorsement within 60 days of the purchase of a new vehicle. Most will only allow you to add the endorsement to a vehicle that you purchased brand new and usually they will only allow the endorsement to remain on your policy for 7 years. After that time, the coverage will be deleted. One of the companies that we represent will let you add the endorsement at any time and will allow you keep it on the policy until your vehicle is 10 years old so there are some exceptions to these rules.

The OEM endorsement usually costs about 5% more on your comprehensive and collision insurance premiums. For me, this is not a great buy, as I'm not very hung up on the OEM parts issue. But I know for some people, this could be very important. Now, one more thing to keep in mind: If you have OEM coverage on your policy and you are hit by another person and that person is at fault, then your claim is at the mercy of their insurance company. In this case, you can still file a collision claim with your insurance company so that you can benefit from the OEM endorsement. If you go this route, then you will have to pay the collision deductible on this claim and wait to be reimbursed by the other party's insurance company if and when your

insurance company files a subrogating claim against them and collects. This does remove you from control over the claim somewhat, especially in terms of recovering your deductible costs.

North Carolina auto insurance is complicated and there are many angles to consider when setting up your policy. From just this one example you can see that do it yourself car insurance is a bad idea. At Clinard Insurance Group, located in lovely Winston Salem, NC, we write thousands of auto insurance policies for our customers located all across the state of North Carolina. We will take as much time as you need to make sure that you understand all of your options and that you are completely comfortable with your choices. Please give us a call for help with your auto insurance or your home insurance. You can reach us toll free, at 877-687-7557.