



DIFS Consumer Counselor
Insurance Consumer Information Sheet

Road Service Club Memberships

Road service clubs are commonly known for the towing, starting, and labor services they provide to motorists having mechanical difficulties while on the road. They may also provide other services such as bail bonding, travel information, and discounts for lodging and other travel expenses.

Some of the services offered through road service clubs are a form of insurance which makes them subject to regulation by the Department of Insurance and Financial Services (DIFS).

DIFS suggests that if you are interested in a road service club, you take the following steps before becoming a member:

1. **Buy from a reputable agent.** Ask friends and relatives for recommendations before purchasing car insurance or road service club membership.
2. **Shop around.** Talk to several agents before making your decision. Ask each agent to give you a written explanation of the benefits you would be entitled to and then compare benefits and costs, as price varies greatly.
3. **Check your present policy.** Often, the cost of membership in a road service club* is simply added into the amount of premium charged for auto insurance coverage. If you find you have paid for a membership in such

a club without knowing it, the agent has acted illegally. You are entitled to a full refund. If you consider keeping the membership, ask for an explanation of benefits for which you are eligible.

4. **Know how the product works.** Some memberships offer coverage that will not require you to pay for services up front. Others require you to present receipts for services to receive reimbursement.
5. **Don't be misled.** Michigan law does not require you to purchase road service club membership with your auto insurance. In addition, it is illegal for an insurance agent to require you to buy such a membership as part of your auto insurance.* It is also illegal for an agent to represent the membership as automatically included at no additional cost. The membership cost must be disclosed to you by your agent.
6. **Make sure you receive a membership card** if you decide to join a road service club.

If you believe you have been misled by an insurance agent with regard to road service clubs, or feel you have not received benefits to which you are entitled, contact DIFS at the address or telephone number below for assistance. DIFS is the state department which regulates insurance in Michigan.

* An exception occurs when a club or organization forms a company which provides insurance only to its members. An example of

this is the Auto Club Insurance Association (AAA).