How https://caraccidentlawyers.wiki/reference/claim-and-settlement/ Uninsured Motorist Coverage, PIP and MedPay Work After a Car Accident

After a car crash, more than one insurance policy may apply. People usually think first of the at-fault driver's liability coverage, but personal injury protection (PIP), MedPay and uninsured motorist (UM) coverage can matter just as much. A car accident attorney will usually ask for the declarations page of every policy that might apply, because the coverage often decides how much of a loss can be paid.

Liability coverage and fault

Most states require drivers to carry minimum liability insurance, which pays for injuries and property damage the insured driver causes to others. State minimum limits can be low compared with the cost of a serious injury. In an at-fault state, the injured person usually makes a claim against the at-fault driver's insurer. Some states use a no-fault system, in which each driver's own PIP coverage pays medical expenses and some lost income regardless of fault. In those states, a lawsuit against the at-fault driver may be limited unless the injury meets a legal threshold.

PIP and MedPay coverage

No-fault states require PIP, and a few other states do as well, while some states offer it as an option. Depending on the policy, it may cover medical bills, a share of lost wages and some household expenses. Medical payments coverage, usually called MedPay, is separate and generally smaller. The coverage pays medical expenses for the policyholder and passengers no matter who caused the crash, up to the limit on the policy. A car accident attorney will check whether these benefits require prompt notice or a claim form.

Coverage for uninsured and underinsured drivers

Uninsured motorist (UM) coverage pays for injuries caused by a driver who has no insurance, and many states extend it to hit-and-run crashes. Underinsured motorist (UIM) coverage applies when the at-fault driver's limits fall short of the loss. Some states require UM coverage, and others let a policyholder reject it in writing. Rules for stacking coverage from several vehicles or policies also vary by state. A relative's policy in the same household may also provide UM coverage in some states.

How a UM claim works

The UM claim goes to the injured person's own insurance company, but in that claim the insurer takes the position of the uninsured driver, which means it can contest fault and the value of the claim. Policies often require prompt notice of the claim, and a hit-and-run claim may require a timely police report. In some states, the UM insurer must be served with a copy of any lawsuit against the at-fault driver. A car crash attorney will check these requirements early, since a missed step can put coverage at risk.

Vehicle damage coverage

Collision coverage pays to repair or replace the policyholder's car regardless of fault, minus the deductible. The insurer may then seek repayment from the at-fault driver's insurer through subrogation, which can sometimes recover the deductible as well. Gap insurance and rental reimbursement are optional coverages that can matter after a total loss.

Health plans and repayment

Medicare, Medicaid or a health plan may pay medical bills first and later seek repayment from a settlement. A car accident lawyer will usually resolve those liens before any money is distributed. Coverage rules **car accident lawyer** vary by state and by policy, and this is general information rather than legal advice.