How Uninsured Motorist Coverage, PIP and MedPay Work After a Car Accident

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

At-fault and no-fault states

Most states require ***car accident lawyer*** drivers to carry a minimum amount of 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. A smaller group of states uses a no-fault system, in which each driver's own PIP coverage pays medical expenses and some lost income regardless of fault. No-fault states may restrict lawsuits against the at-fault driver unless the injury meets a legal threshold.

How PIP and MedPay work

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, often called MedPay, is a separate and usually smaller coverage. The coverage pays medical expenses for the policyholder and passengers no matter who caused the crash, up to the limit on the policy. An auto accident attorney will check whether these benefits require prompt notice or a claim form.

Coverage for uninsured and underinsured drivers

Uninsured motorist (UM) coverage applies when the at-fault driver has no insurance, and in many states it also covers 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 on stacking coverage from more than one vehicle or policy also vary. A relative's policy in the same household may also provide UM coverage in some states.

How a UM claim works

A UM claim is made to the injured person's own insurer, https://caraccidentlawyers.wiki/reference/claim-and-settlement/ but in that claim the insurer takes the position of the uninsured driver, so it may dispute fault and the amount of damages. Many policies require prompt notice, and a hit-and-run claim may require a timely police report. Some states require that the UM insurer be served with a copy of the lawsuit against the at-fault driver. A car crash attorney will check these requirements early, since a missed step can put coverage at risk.

Coverage for the car itself

Collision coverage pays for repairs to the policyholder's car regardless of fault, less the deductible. The insurer can then seek repayment from the at-fault driver's insurer through subrogation, which can

sometimes recover the deductible as well. Rental reimbursement and gap insurance 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. An automobile accident lawyer will usually resolve those liens before any money is distributed. Coverage rules differ by state and by policy, and this article is general information, not legal advice.