Uninsured Motorist, PIP and MedPay Coverage After a Car Crash

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 usually requests the declarations page for every policy that might apply, since coverage often decides how much of a loss can be paid.

Liability coverage and fault

Most states require drivers to carry a minimum amount of liability insurance, which covers 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 at-fault states, the injured person generally claims against the at-fault driver's insurer. Some states use a no-fault system, where each driver's own PIP coverage pays medical expenses and some lost income regardless **Visit this site** of who caused the crash. 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, and some others offer it as an option. Depending on the policy, it can pay medical bills, part of lost wages and certain household expenses. Medical payments coverage, usually called MedPay, is separate and generally smaller. It pays medical expenses for the policyholder and passengers regardless of fault, up to its policy limit. A car accident attorney will check whether these benefits require prompt notice or a written claim.

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 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. Many policies require prompt notice, and hit-and-run claims may depend on a timely police report. Some states require that the UM insurer be served with a copy of the lawsuit against the at-fault driver. An auto accident lawyer will check these requirements early, since a missed step can put coverage at risk.

Repairs and rentals

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 insurance and liens

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