Uninsured Motorist, PIP and MedPay Coverage Explained

After a car crash, more than one insurance policy may apply. caraccidentlawyers.wiki People usually think first of the at-fault driver's liability coverage, yet personal injury protection (PIP), MedPay and uninsured motorist (UM) coverage car accident lawyer can matter 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.

How fault rules shape coverage

Most states require drivers to carry minimum 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 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. In those states, a lawsuit against the at-fault driver may be limited unless the injury meets a legal threshold.

How PIP and MedPay work

PIP is required in no-fault states and in a few other states, and some others 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. 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 pays for injuries caused by a driver who 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 are too low to cover the loss. Some states require UM coverage, while others allow it to be rejected in writing. Rules for stacking coverage from several vehicles or policies also vary by state. In some states, a policy held by a relative in the same household may provide UM coverage as well.

How a UM claim works

A UM claim is made to the injured person's own insurer, yet in that claim the insurer stands in the shoes 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 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. A car accident attorney will check these requirements early, because missing one can affect the coverage.

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 insurance and liens

Health insurance, Medicare or Medicaid may pay medical bills first and later claim repayment from a settlement. A motor vehicle accident attorney usually resolves these liens before funds are distributed. Coverage rules vary by state and by policy, and this article is general information, not legal advice.