Uninsured Motorist, PIP and MedPay Coverage Explained

More than one insurance policy can apply after a car crash. 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 will usually ask for the declarations page of every policy that might apply, since coverage often decides how much of a loss **best car accident lawyers** can be paid.

At-fault and no-fault states

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, where each driver's own PIP coverage pays medical expenses and some lost income regardless 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.

How PIP and MedPay work

PIP is required in no-fault states and in a few other states, 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. A car crash lawyer 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 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, 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 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. An auto accident lawyer usually checks these steps early, because missing one can affect the coverage.

Repairs and rentals

Collision coverage pays for repairs to the policyholder's car regardless of fault, less 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 insurance and liens

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 vary by state and by policy, and this is general information rather than legal advice.