Which Insurance Pays After a Car Accident? Uninsured Motorist, PIP and MedPay

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.

Liability coverage and fault

Most states require drivers to carry a minimum amount of liability insurance, which pays for injuries and property damage the insured driver causes to others. Minimum limits are often 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. 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

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 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 Car Accident Lawyers Wiki 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, 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 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. An auto accident lawyer usually checks these steps early, since a **car accident lawyer** missed step can put coverage at risk.

Vehicle damage coverage

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, and the deductible is sometimes recovered too. 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. An automobile accident lawyer will usually resolve those liens before any money is distributed. Coverage rules vary by state and by policy, and this article is general information, not legal advice.