Uninsured Motorist, PIP and MedPay Coverage Explained

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. An auto accident lawyer will usually ask for the declarations page of 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 drivers to carry minimum 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. Some states use 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.

PIP and MedPay

PIP is required in no-fault states and in a few other states, and some others offer it as an option. ***Car Accident Lawyers Wiki*** Depending on the policy, it may cover medical bills, a share of lost wages and some household expenses. *car accident lawyer* 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 the limit on the policy. An auto accident attorney will check whether these benefits require prompt notice or a written claim.

Uninsured and underinsured motorist coverage

Uninsured motorist (UM) coverage applies when the at-fault driver has no insurance, and many states extend it to 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. 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, so it may dispute fault and the amount of damages. Policies often require prompt notice of the claim, 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. A car accident attorney will check these requirements early, because missing one can affect the coverage.

Vehicle damage coverage

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, and the deductible is sometimes recovered too. 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. A motor vehicle accident attorney 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.