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. 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.

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. 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, often called MedPay, is a separate and usually smaller coverage. It pays medical expenses for the policyholder and passengers regardless of fault, up to its policy limit. An auto 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 many states extend it to hit-and-run crashes. Underinsured motorist (UIM) coverage applies when the at-fault driver's limits fall short of the loss. Some states require **auto accident lawyer near me** 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.

Making a UM claim

The UM claim goes to the injured person's own insurance company, 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. 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. A car crash attorney usually checks these steps early, because missing one can affect the coverage.

Coverage for the car itself

Collision coverage pays to repair or replace the policyholder's car regardless of fault, minus 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

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.