Uninsured Motorist, PIP and MedPay Coverage Explained

More than one insurance policy can apply after a car crash. People usually think first of the at-fault driver's liability coverage, yet personal injury protection (PIP), MedPay and uninsured motorist (UM) coverage can matter as much. A car accident attorney will usually ask for the declarations page of every policy that might apply, since 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. Minimum limits are often 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.

PIP and MedPay coverage

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 can pay medical bills, part of lost wages and certain 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. A car 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. A relative's policy in the same household may also provide UM coverage in some states.

Making a UM claim

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 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 crash attorney will check these requirements early, since a missed step can put coverage at risk.

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, and the deductible is sometimes recovered too. Gap insurance and rental reimbursement are optional coverages that can matter after a total loss.

Health plans and repayment

Medicare, Medicaid or a health plan may pay medical bills first and later seek repayment from a settlement. A motor vehicle **car crash lawyer** accident attorney usually resolves these liens before funds are distributed. Coverage rules differ by state and by policy, and this article is general information, not legal advice.