How Uninsured Motorist Coverage, PIP and MedPay Work After a Car Accident

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 usually requests the declarations page for every policy that might apply, because the coverage often decides how much of a loss can be paid.

At-fault and no-fault states

car accident attorney

Most states require drivers to carry minimum liability insurance, which covers 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 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 coverage

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 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. The coverage pays medical expenses for the policyholder and passengers no matter who caused the crash, up to its policy limit. A car crash lawyer will check whether these benefits require prompt notice or a claim form.

When the other driver has little or no insurance

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. Policies often require prompt notice of the claim, 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. A car accident attorney usually checks these steps early, because missing one can affect the coverage.

Repairs and rentals

Collision coverage pays to repair or replace the policyholder's car regardless of fault, minus 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. Rental reimbursement and gap insurance 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 car accident lawyer usually resolves these liens before funds are distributed. Coverage rules differ by state and by policy, and this is general information rather than legal advice.