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

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 will usually ask for the declarations *car accident settlement* page of every policy that might apply, because the coverage often decides how much of a loss can be paid.

How fault rules shape coverage

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. 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, where each driver's own PIP coverage pays medical expenses and some lost income regardless of who caused the crash. No-fault states *car accident lawyer* 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 accident attorney will check whether these benefits require prompt notice or a claim form.

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 are too low to cover the loss. Some states require UM coverage, and others let a policyholder reject it in writing. Rules on stacking coverage from more than one vehicle or policy also vary. In some states, a policy held by a relative in the same household may provide UM coverage as well.

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. 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 crash attorney usually checks these steps early, since a missed step can put coverage at risk.

Coverage for the car itself

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 insurance and liens

Health insurance, Medicare or Medicaid may pay medical bills first and later claim repayment from a settlement. A car 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.