

# Auto Insurance Coverage from a Personal Injury Lawyer's Point of View

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Buying auto insurance can be a confusing experience. With all the initials and catch words: BI, SUM PIP, ADDITIONAL PIP, it's hard to make a decision on how much coverage to have and in what categories. We see the result, after an accident, of having inadequate coverage. Hopefully, this article will sort out some of the confusion and help you get the proper coverage at the right cost. The first thing you need to do is pull out your declaration sheet from your auto insurance company which itemizes the amount and type of coverage along with premium.

Usually the first item of coverage, and probably the most important, is your bodily injury protection, listed in the terms of thousands of dollars. This coverage protects you in the event that one or more persons are injured or die in an accident involving your or someone else operation your vehicle with your permission. For example 50/100 tells you that in the event of an accident any one injured person can recover up to \$50,000 from your insurance carrier and if there is more than one injured person, the total available is \$100,000. The minimum bodily injury insurance coverage required by New York State is 25/50 which is woefully inadequate in most accident cases.

Personal injury protection, or "PIP" is required by New York State in the amount of \$50,000. This coverage reimburses you for lost wages and medical expenses that you have regardless of who is at fault. You can purchase additional PIP over and above the required \$50,000 minimum.

Supplemental uninsured/underinsured coverage, or "SUM" coverage, applies if you are injured by a motorist who either has no insurance, or has inadequate insurance to cover your injuries. This is extremely important and relatively inexpensive. There are a tremendous number of drivers who either have no insurance or the minimum 25/50 coverage. Almost every injury involving a fracture, a scar, or an extended period of lost wages will warrant a recovery of more that \$25,000. Whenever we have a client injured in an auto accident we always check their declaration page to see if there is SUM coverage. Here is the way SUM coverage works: let's assume your case is worth \$100,000 and the driver that rear ended you at a stop light only has \$25,000 in bodily injury protection. We look at your declaration sheet to compare you bodily injury limits to that of the other driver. Let's assume you have \$100,000/\$300,000 in BI coverage. Since your BI coverage exceeds that of the other driver, we now look at your SUM coverage. If you only have \$25,000 in SUM coverage, you cannot collect from your company. However, if you have \$100,000 in SUM, you can collect the 25 from the other driver and then turn to your own company from the additional 75 totaling \$100,000. Your company gets to deduct the \$25,000 from the other driver, so your SUM coverage really is \$75,000 not \$100,000.

Umbrella coverage. What happens if you or someone driving your car seriously injures another person (a passenger, other motorist or pedestrian)? If their injury exceeds your bodily injury protection injured person can sue you and recover from your personal assets. Although this is a rare occurrence, we have had many clients who have had both guilt at not having insurance and fear that their personal assets where at risk. Umbrella insurance kicks in once your auto insurance is exhausted and provides additional coverage at a very reasonable cost – sometimes as little as \$100-150 for a million in coverage. You must have acceptable BI limits for the excess insurance to be effective. This coverage also applies if someone is injured at you home.