Which Insurance Pays After a Car Accident? Uninsured Motorist, PIP and MedPay

More than one insurance policy can apply after a car crash. The at-fault driver's liability coverage is usually the first source people think of, yet personal injury protection (PIP), MedPay and uninsured motorist (UM) coverage can matter as much. An auto accident lawyer usually requests the declarations page for every policy that might apply, because the coverage often decides how much of a loss can be paid.

Liability coverage and fault

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, where each driver's own PIP coverage pays medical expenses and some lost income regardless of who caused the crash. No-fault states may restrict lawsuits against the at-fault driver unless the injury meets a legal threshold.

PIP and MedPay coverage

No-fault states require PIP, and a few other states do as well, 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 car accident claim help called MedPay, is a separate and usually smaller coverage. It pays medical expenses for the policyholder and passengers regardless of fault, up to the limit on the policy. A car accident attorney will check whether these benefits require prompt notice or a claim form.

Uninsured and underinsured motorist coverage

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 fall short of 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

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, so it may dispute fault and the amount of damages. Policies often require prompt notice of the claim, and hit-and-run claims may depend on a timely police report. In some states, the UM insurer must be served with a copy of any lawsuit against the at-fault driver. An auto accident lawyer will check these requirements early, because missing one can affect the coverage.

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. 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. A motor vehicle accident attorney usually resolves these liens before funds are distributed. Coverage rules vary by state and by policy, and this is general information rather than legal advice.