

March 4, 2011

Prior Uninsured and Underinsured Motorist Claims Reviewed in Mass by Several Proactive Insurance Companies

The affects of *Jordan v. Allstate*, *Romero v. Progressive* and *Progressive v. Weed Warrior* are already being seen in previously settled uninsured and underinsured auto accident claims in New Mexico.

In short, as addressed previously, acceptance by an insured of uninsured and underinsured coverage below liability policy limits constitutes a rejection of coverage. It is well established in New Mexico that a rejection of uninsured and underinsured coverage must be in writing, and attached to the policy.

As addressed in several prior posts, uninsured and underinsured motorists coverage is extremely important for motorists. This particularly the case in New Mexico which has the highest rate of uninsured motorists in the country with countless more carrying \$25,000 minimum liability coverage.

As a result, a driver in an auto accident in New Mexico will in all likelihood be dealing with a negligent driver who has either no insurance or very little insurance. The injuries suffered in car accidents often require medical expenses greatly in excess of the \$25,000 minimum liability limits required by law. As such, the \$25,000 minimums will often not even cover medical expenses much less other damages such as lost wages which are almost universally present in serious automobile accidents.

The cases of *Jordan*, *Romero* and *Weed Warriors* have corrected a fairly common problem. Drivers often accepted uninsured and underinsured limits below the liability limits. Some did so knowingly with the sole purpose of saving a few dollars a month on premiums. Many others were convinced to reject UM/UIM coverage. In fact, uninsured and underinsured coverage is perhaps the most economical and essential coverage provided for drivers.

As a result, there were and will continue to be those companies that will try to convince drivers that uninsured and underinsured coverage is not necessary and a waste of money. These cases will not stop this practice going forward. But they do address past problems. And they do acceptance of uninsured and underinsured covers be in writing, signed by the insured, and attached to the policies. Hopefully, this will trigger the suspicions of drivers. After all, why

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would the law require all these hurdles for an insurance company if it were not in the best interests of the driver to have this coverage?

As a result of the cases, some responsible insurance companies are taking a proactive stance actually sending out letters to all drivers that have made uninsured and underinsured claims in the past. The letters alert the drivers of possible rights to additional coverage on their past claims. It is safe to say that many insurance companies will not behave as responsibly.

Not only will some companies not send out these letters, when they do receive a claim, they will fight tooth and nail as they fight all claims on their policies. I will not name those companies here, but a quick review of JD Power's annual rating of auto insurance providers will give you a pretty good idea of what to expect from your insurance company.

And to show that I am not totally hostile against all insurance companies, only those that are abusive, dishonest or otherwise fail to honor their responsibilities, I would like to recognize own insurance provider of over 25 years, State Farm, as being both in the top 5 of the JD Power list and among those companies sending out letters to their customers to notify them of their rights.

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