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PRACTICE AREAS

Workers Compensation

Personal Injury

Motor Vehicle Accidents

Wrongful Death

JANUARY 19, 2010

E-Newsletter

Motor Vehicle Insurance

In most states, the owner or driver of a vehicle must have motor vehicle insurance. This requirement provides some assurance that a person who is injured by the driver will receive some compensation for the injury. Most motor vehicle policies have several things in common.

Motor vehicle insurance provides coverage for the named insured, that is, the person who is specifically named in the policy. Many policies cover the named insured no matter what vehicle he or she is driving. The insurance also usually covers the named vehicles—those vehicles specifically identified in the policy. Depending on the policy, there also may be coverage for family members or persons who drive the named vehicles with permission. The policy may also cover, for a limited period of time, vehicles the named insured has purchased but has not yet put on the policy.

The premiums for motor vehicle insurance are based on several factors. The age, gender, and driving histories of the named insured and family members are important determinants of the premium amount. Other factors include the type of car, the area where the named insured lives, and any theft deterrent or safety devices on the car. Many insurers also now offer reduced premiums to older drivers who have taken refresher driving safety courses.

The limits of insurance also factor into the amount of the insurance premium. Limits are usually phrased in terms of the maximum amount the insurance company will pay to a single person and the maximum amount it will pay for any one accident. A 50/100 policy, for example, means that the insurance company will pay any person injured in an accident up to \$50,000. However, the insurance company will not pay more than \$100,000 for any single accident, regardless of how



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many people are injured in that accident. In some states, when a person's injuries exceed the limits of the insurance, he or she may look to his or her own insurance (see underinsured motorist coverage below), or may seek additional damages directly from the person who caused the injury.

When the amount of damage exceeds the policy limits, an injured person may try to combine several policies. For example, if the insured driver has a policy with one company, and the owner of the vehicle has a policy with another, the attempt to get both companies to pay up to the policy limits is known as stacking. Another type of stacking occurs when coverage limits for each of the multiple vehicles insured under a single policy are combined when one of the covered vehicles is involved in an accident. State laws regarding stacking vary considerably.

Motor vehicle insurance can cover several types of risk. A policy may contain some or all of these types of coverage. The risk of liability to another is covered under bodily injury liability or property damage liability. Bodily injury liability coverage pays for injuries the driver or the vehicle caused to someone else. This includes injury to a passenger, pedestrian, or the driver of another vehicle. Property damage liability pays for property damage caused to someone else's property, such as the other vehicle in a collision.

The risk of damage to the insured (and other covered drivers) is covered in several different forms. personal injury protection, or "PIP", covers injury the driver may suffer from a vehicle accident.

Uninsured motorist coverage protects against the possibility that the other driver is at fault but doesn't have liability insurance to pay the damage or is never identified and located. Underinsured motorist coverage pays the difference (up to the insured's limits of insurance) when the at-fault driver has liability insurance with limits less than the insured's actual injury.

Collision coverage pays for damage to the insured's vehicle caused by a collision. This usually includes collision with another car, or even a stationary object such as a lamppost. Comprehensive coverage will pay for damage to the insured's vehicle caused by something other than a collision, for example theft, fire, or flood.



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Form: Information to Obtain from the Other Driver When You Have Been in an Accident.

To read and printout the Form please click below.

[Information to Obtain from the Other Driver When You Have Been in an Accident](#)

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