

AUTO INSURANCE COVERAGE IN ALABAMA

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As an attorney concentrating in personal injury claims, I often meet clients who have been seriously injured in automobile accidents. Many injured people do not know what types of insurance coverage they have on their vehicle, the amount of the coverage they have purchased, or how the answers to these questions may affect their case or the value of their case. Outlined below are the types of insurance coverage that are normally available to purchasers of auto insurance.

Bodily Injury Liability Coverage

Bodily Injury Liability Coverage protects the owner or driver of a vehicle for all sums, up to the limits of the coverage, which the owner or driver become legally obligated to pay because of bodily injury to an injured third party and pays for the defense costs, including hiring a defense attorney. Bodily injury liability limits are usually in two different amounts of coverage. The first figure is the limit of payment to a single person per accident. The second figure is the limit of payment in total for all persons injured in a single accident. For example, bodily injury liability limits of \$25,000/\$75,000 means the maximum amount that an insurance company is required to pay on behalf of the driver or owner is \$25,000 to any one person injured in a single accident. The insurance company also will not pay more than \$75,000 to all persons injured in a single accident, no matter how many people are injured. The limits of coverage do not include the expense of hiring a defense attorney to represent you in court. Bodily Injury Liability Coverage protects you and your family from being personally liable up to the limits of the coverage if you or a member of your family negligently causes an accident that results in bodily injury to another person.

Medical Expense/Medical Payments Coverage

Medical Payment Coverage pays up to a specified amount for medical expenses incurred by any person injured while in your automobile as a result of an automobile accident and pays regardless of who is at fault. This coverage is typically provided in increments of \$1000, \$2000, or \$5000.

Uninsured Motorist Coverage

Uninsured Motorist Bodily Injury Coverage protects you and anyone in your automobile for bodily injury up to your uninsured motorist policy limits in an accident with a legally liable uninsured motorist or a hit-and-run driver. The insured is protected under this policy in the event that he is injured as a pedestrian and is also covered if he occupies another person's automobile and is injured as the result of a negligent driver who is uninsured or a driver who leaves the scene of the accident and is never identified. This is referred to as a phantom driver.

Underinsured Motorist Coverage

Underinsured Motorist Coverage is similar to Uninsured Motorist Coverage. It provides coverage to an insured who is injured by someone who does not have automobile insurance but the liability insurance limits are less than the personal injury damages suffered as a result of the accident. For example, suppose you, the policyholder, have purchased uninsured motorist coverage of \$200,000 per person and you are seriously injured by a motorist who only has \$100,000 per person of available liability insurance. Under this circumstance you can make a claim against your insurance company for your uninsured motorist limits after collecting the at-fault driver's liability limits. You would be able to collect \$100,000 from the at-fault driver's liability insurance company and collect up to \$200,000 from your own insurance company under this coverage. In no event can you collect more than the bodily injury damages suffered in the accident.

Property Damage Liability Coverage

While this coverage is similar to the Bodily Injury Liability Coverage, it is limited to the damage caused by you to another person's property (such as an automobile, home, telephone pole, fence or garage). This type of coverage protects you and your family if damage or destruction is caused to another person's property.

Collision Coverage

If you purchase Collision Coverage, your vehicle is protected against direct and accidental loss or damage that results from a collision with another automobile or fixed object. Collision Coverage is optional but, if purchased, obligates your insurance company to repair or replace your automobile if it is damaged or destroyed by a collision with another automobile or fixed object.

Comprehensive Coverage

This coverage is also known as "the other collision coverage" and is optional. Comprehensive coverage obligates your insurance company to repair or replace your automobile for damage or destruction that results from an event other than a collision with another automobile or fixed object. Damage resulting from hail, wind, fire, riot, theft or vandalism is covered under this type of coverage.

Towing and Labor Coverage

This coverage will pay your expense up to the amount of coverage you select and will pay to have your vehicle towed or for roadside labor to repair your automobile if it is temporarily disabled on the road.

With medical expenses skyrocketing, the costs resulting from a serious injury can be extremely high. Because an injured person's medical expenses are a large part of what he is entitled to collect when injured as a result of someone else's negligence, we encourage clients to obtain at least \$300,000 of liability insurance coverage. This will protect you and your family from liability to a third party up to the maximum of \$300,000. Unless rejected, with that coverage, you will automatically receive uninsured and underinsured protection for a minimum in Alabama of \$25,000.00. This covers personal injury damages that you or a member of your household may receive as a result of a negligent uninsured or underinsured motorist.

Our clients are encouraged to secured optional medical pay or medical expense coverage because this coverage reimburses the policyholder and others injured while occupying the insured automobile for medical expenses that result from an accident regardless of who is at fault.

Collision coverage, comprehensive coverage, and towing coverage are optional types of coverage that you may purchase. You should consult your insurance agent about the cost of these types of coverage to determine if it is protection that you want and are willing to pay for.

Whether you are at fault or you are the victim, being well insured is the best way to protect you and your family against the consequences of a serious automobile accident.