



Maximizing Auto Accident Insurance Benefits

By Richard Meyer and Ryan McLane

The problems experienced by car accident victims trying to recover for medical bills, lost wages, and other harm are real. One of the most frequent problems we encounter as lawyers is a lack of sufficient insurance to cover a victim's damages. This problem has increased in severity in difficult economic times as many drivers elect the minimum insurance coverage or none at all. The rising costs of health care exacerbate the problem. Without sufficient insurance, innocent victims of drunk or careless driving struggle to pay medical bills and suffer financial hardship from lost time at work, permanent disability, or both.

No-Fault Benefits

The Kentucky Motor Vehicle Reparations Act (MVRA) requires every auto insurance policy in the Commonwealth to include \$10,000 in "basic reparation benefits" otherwise known as "No-Fault" or "PIP" benefits (Ohio benefits will be covered in a later issue). An injured party's insurance policy must pay those benefits toward his or her medical expenses and lost wages immediately and irrespective of fault. The immediacy and certainty of these benefits help alleviate hardship following an accident. The problem is that \$10,000 covers only the most minor injuries today. The concurrent problem is that many drivers have only the minimum auto coverage (\$25,000 in liability) or are uninsured completely. If the injured party requires even minor surgery, the minimum coverage and basic benefits will not cover the victim's damages.

Additional Self-Protection

You cannot rely on other drivers to maintain adequate insurance for you and your family members. Thankfully, the MVRA provides mechanisms that allow you to take significant measures to protect yourself from the uninsured and *underinsured* driver. The first protection is called "added reparation benefits" (ARB). Those benefits allow you to increase your No-Fault benefits by up to \$40,000. Having an instantly accessible \$50,000 to cover medical bills and lost wages, irrespective of fault, eases suffering and provides an extra \$40,000 of available insurance. This becomes particularly important if the other driver is underinsured. Last but not least, ARB premiums are rather inexpensive.

In addition to ARB, Kentucky requires auto insurers to offer you uninsured motorist coverage (UM), which they often package with underinsured motorist coverage (UIM). As their names suggest, those benefits cover your damages when the at fault driver is uninsured or underinsured. In such a circumstance, having UM/UIM benefits is critical to recovery of your damages. As with ARB, UM and UIM coverage not only provide you an opportunity to protect yourself from the prevalent problem of inadequate insurance, but those coverages are also relatively inexpensive.

You may have \$500,000 or more in liability coverage for the benefit of other persons injured by your careless driving. You should have at least as much coverage for yourself and your family members for injuries caused by another's negligent driving. In Kentucky, you may protect yourself with adequate amounts of additional reparations benefits, uninsured, and underinsured motorist insurance benefits. Those insurance products are some of the most valuable *and affordable* coverages you can purchase for the protection of you and your family.