



Insurers Seek to Recover Payments in Toyota Crash Claims

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Insurance companies are gearing up to recoup from Toyota money they paid for claims in crashes involving sudden acceleration, the subject of major safety recalls by the Japanese automaker. It could also mean money back for some drivers who paid deductibles, according to a report by the [Associated Press](#). Here are excerpts from the article:

At least six major insurers, including State Farm Insurance Cos., Allstate Corp. and Geico, have begun examining past claims involving the recalled vehicles, which number about 6 million in the U.S. and 8 million around the world. Insurers can request that Toyota pay them for the claim if a vehicle defect is proven to be a key factor in a crash, a long-standing industry practice known as subrogation. Many insurers have begun notifying Toyota Motor Corp. that they will do just that.

The move could repay some Toyota owners their out-of-pocket costs due to crashes but probably wouldn't have much of an impact on the premiums drivers pay. And it would mostly involve crashes in which people weren't seriously injured, because those cases frequently find their way into lawsuits.

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Insurance companies typically refund deductibles — the amount a policyholder must pay before the insurance takes over — to their customers when they are repaid in such cases, officials of several companies said this week. None would release any financial estimates or the number of potential crashes, but given the sheer size of the Toyota recalls the liability could be in the millions of dollars.

Experts say most insurers have agreements with automakers to negotiate a confidential settlement over defect-related claims — and automakers such as Toyota usually have insurance to cover most of the costs.

“It will be a whole bunch of small claims. What you have here are the fender benders,” said Mark Bunim of the mediation firm Case Closure LLC in New York. “The major claims, where someone’s a paraplegic, they will not be part of that group.”

The National Highway Traffic Safety Administration has linked 52 deaths to claims of sudden acceleration in Toyotas, and more than 100 wrongful death and personal injury lawsuits have been filed against the automaker around the country. Those are being consolidated before a California federal judge for pretrial matters along with more than 130 lawsuits filed by Toyota owners claiming their cars have lost value since the recalls. An initial hearing is set for May 13.