

PROTECTING YOU AND YOUR FAMILY WHEN BUYING AUTO INSURANCE

Your ability to ensure that you and your family are adequately protected for injuries sustained in a motor vehicle accident often depends upon the decisions you make regarding the purchase of the following types of coverage: (1) “Full” or “Limited” Tort; and (2) Uninsured/Underinsured (“UM/UIM”).

If you are injured due to the negligence of other(s), you are entitled, subject to the limitations described below, to seek monetary compensation for those injuries. A lawsuit brought to recover compensation for such injuries is sometimes referred to as a “Tort” action. Although a tort action must be filed against the person(s) who causes the accident (“Tortfeasor”), any monetary recovery made is generally paid by the insurer providing liability coverage to the tortfeasor. You can seek to recover economic damages, which consist of such items as medical expenses and lost wages, and/or non-economic damages, such as past and future pain and suffering, disfigurement, physical disability, loss of enjoyment of life, etc.

Your right to recover non-economic damages may depend upon whether you purchased “Full” or “Limited” tort coverage on your automobile insurance policy. If you carry full tort coverage, you are entitled to make a claim for non-economic damages regardless of the severity of the injuries. If you carry limited tort coverage, you may not make a claim for non-economic damages unless you sustain a “Serious Injury”, which is defined as “death, serious impairment of a body function or permanent serious disfigurement”.

Unfortunately, judges and juries often disagree greatly on whether a motor vehicle victim has sustained a serious injury in an accident. It may only be a slight exaggeration to state that any injury which does not involve paralysis or the loss of a limb is not a serious injury in the opinion of some judges and juries. Consequently, there are a number of motor vehicle victims who are denied the right to recover non-economic damages, despite sustaining what they reasonably believe are serious injuries, because they purchased limited tort coverage to save a few dollars on their insurance premiums.

A Pennsylvania insurer issuing a policy which provides liability coverage must also offer the insured the opportunity to purchase “Uninsured Motorist” (UM) and Underinsured Motorist” (UIM) coverage. UM coverage permits you to recover damages from your automobile insurer if you are injured in an accident caused by a tortfeasor who does not carry liability coverage. UIM coverage permits you to recover damages from your insurer if the tortfeasor does carry liability coverage, but the amount of the coverage is less than the fair value of your injury.

While optional, auto insurers must issue UM/UIM coverage in amounts equal to your liability coverage, unless you reject this coverage, in writing. You may also elect to purchase UM/UIM coverage in amounts lower than your liability coverage. If you insure two or more vehicles on your policy, you may add the separate amounts of UM/UIM coverage for each vehicle (i.e. Stack your UIM coverage), unless you agree, in writing, to reject stacked UM/UIM

coverage. If you elect limited, rather than full, tort coverage, you will not be able to make a claim for non-economic damages under your UM/UIM coverage, unless you sustain a serious injury.

If you do not purchase UM/UIM coverage, your ability to be properly compensated for an injury sustained in a motor vehicle accident depends upon whether the tortfeasor is insured and, if so, the amount of liability coverage afforded by the tortfeasor's policy. More importantly, if you purchase UM/UIM coverage, but reduce the amounts of this coverage below the amounts of your liability coverage, you are potentially providing greater protection to other(s) injured due to your negligence than you are for yourself and your family.

Therefore, the best way to ensure that you are protected for injuries sustained in a motor vehicle accident is to purchase "Full" rather than "Limited" tort coverage, carry UM/UIM coverage in amount equal to your liability coverage and stack your UM/UIM coverage if you insure two or more vehicles on your policy. Hopefully, the following examples will demonstrate the value of paying what often is not a whole lot more to purchase this important coverage.

Assume you purchase a policy which provides liability coverage of \$100,000.00, but elect to reduce your UM/UIM coverage to \$15,000.00. Your policy would pay up to \$100,000.00 to someone injured due to your negligence, but only \$15,000.00, rather than \$100,000.00, if you were injured due to the negligence of an uninsured motorist. If the tortfeasor carried only \$15,000.00 in liability coverage, your maximum potential recovery is \$30,000.00, rather than \$115,000 (i.e. \$15,000.00 in liability coverage from the tortfeasor's insurer, but only \$15,000.00 in UIM coverage from your insurer).

If there are two vehicles insured on your policy and you carry "Stacked" UM/UIM coverage with limits equal to your \$100,000.00 liability coverage, you could potentially recover \$200,000.00 from an uninsured motorist and \$215,000.00 if the tortfeasor carried \$15,000.00 in liability coverage. If you purchased "Stacked" UM/UIM coverage, but reduced this coverage to \$15,000.00, your maximum recovery from an uninsured motorist would be \$30,000.00 and your maximum recovery from a tortfeasor who carried \$15,000.00 in liability coverage, would be \$45,000.00.