

The claimant's UM coverage replaces or supplements the absent or inadequate liability insurance, up to its limits selected by the policyholder, for damages sustained by the insured if the accident was not his fault. You do not have to be injured in your vehicle or even in a vehicle as long as you have UM coverage in order to make a claim. Additionally, in cases where you are in your insured vehicle and in a crash caused by an uninsured/underinsured at-fault driver, all occupants of your vehicle regardless of their relation to you can make a claim for their injuries on your UM policy. With the amount of drivers still opting to break the law and drive without insurance on Louisiana highways remaining very high, UM coverage affords you protection and will pay your claim under your own policy when the at-fault uninsured motorist causes you harm. Moreover, as many drivers carry only the minimum 15,000 in liability coverage, UM coverage will supplement and pay your damages above that relatively low amount if warranted. This means your medical bills, lost wages, pain and suffering and mental anguish and any other damages to which you are entitled are much more likely to be fully paid and you fully compensated when you select to carry UM coverage.

While many insurers offer alternative discounted UM coverage such as property damages only or economic damages only (meaning only the medical bills and lost wages will be paid, but none of the general damages, including pain and suffering, mental anguish, and loss of enjoyment of life), the low cost of this provision is an incentive to select full UM protection to handle all circumstances and degrees of injury that an uninsured or underinsured driver may cause you.

Rental Coverage

Other coverage most auto insurers offer include rental car coverage that entitles you to benefits that you may or not already be entitled to under the at-fault driver's policy or your own. Your insurer can best explain the conditions in which rental car coverage is a separate necessity and in such instances, its minimal price is an excellent bargain.

Getting an Attorney For Your Claim

Making claims for injuries with an insurer can be a trying process for many claimants. Many attorneys accept personal injury claims and attempt to get a fair damage award for their client in exchange for a portion of what is received. This is called a contingency fee. Additionally, many attorneys do not charge for an initial consultation with auto accident victims. However, people settle automobile claims for their injuries without a lawyer every day, and there is no requirement that you must retain an attorney to proceed with your claim. The choice is yours and should be weighed carefully.

This brochure, prepared by the Public Information Committee of the Louisiana State Bar Association, is issued to inform and provide general information, not to advise. If you have a specific legal problem, you should not try to apply or interpret the law without the aid of an attorney who knows the facts because the facts may change the application of the law.

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**AUTOMOBILE
INSURANCE**



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Motor Vehicle Accidents and the Law

It is mandatory that all vehicles registered in the State of Louisiana carry liability insurance in at least the minimal amount defined by the Louisiana legislature. Presently that amount is \$15,000 per person and \$30,000 per accident. Most insurers that offer motor vehicle coverage offer policies providing protection for more than the legislatively defined minimal limits and can advise you of the costs of obtaining auto liability insurance in a variety of amounts from which you may select.

Liability Insurance

Liability coverage provides the owner or the driver of an insured vehicle protection from having to personally pay money damages to others injured by the fault of the driver of that insured vehicle. The limits of coverage are always defined in the policy, and as a policyholder or car owner, you should know how much you carry, because even though you know your vehicle may be insured, the auto policy only provides protection up to the amounts of the limits. Any claims for amounts in excess of the limits are the responsibility of the at-fault driver and possibly the vehicle's owner. For example, an auto accident may cause injuries to any individual well in excess of the minimal limits of \$15,000 when the medical bills and lost wages, plus pain and suffering and mental anguish damages, are factored in. Often, a negligent driver may injure several people in one accident, and the minimal limit of \$30,000 that must be split among all of the claimants is often inadequate to fully compensate all the victims. The driver and possibly the owner are then responsible for the amount of the total damages surpassing the \$30,000. Under the Louisiana Civil Code, you are responsible for the harm you cause to others.

Automobile liability insurance pays the victims for their injuries and damages when a person causes harm behind the wheel. Anybody injured by the at-fault driver may make a claim for their bodily injuries, including his or her vehicle's occupants, drivers and occupants of other vehicles, and pedestrians. Your insurance company will attempt to settle with the injured parties if you are at fault, and if you are sued, your insurance company will provide you a lawyer in your defense.

Lawmakers in Louisiana have an interest that motorists upon their roads will be adequately compensated for harm caused by negligent drivers, and under the Motor Vehicle Responsibility Act have made carrying such insurance a requirement in order to operate a vehicle in Louisi-

ana. The legislature understood that insurance company proceeds need to be readily available to pay claims as opposed to the funds of private individuals which might be elusive or never adequate.

This system of automobile insurance protects everyone from the chances of not receiving any compensation for automobile accident injuries. To encourage compliance with the mandatory insurance laws, drivers operating a vehicle without proof of the minimal liability insurance face fines and penalties and can have their driving records flagged by the Office of Motor Vehicles, making driver's license renewals and vehicle registration applications subject to additional costs and prohibitions without resolution of the uninsured status. Moreover, if a driver and/or vehicle owner is injured in a crash that was not his/her fault, but their vehicle in the crash was uninsured, the at-fault party's insurance company is not responsible for the first \$15,000 in damages to the uninsured victim. This restriction is known as the no pay/no play rule.

Liability coverage also includes a property damage limit. Presently the minimal required amount is \$15,000. This amount only refers to damage caused to other vehicles, items in those vehicles, and property and items on that property. It does not include claims for bodily injury. As many vehicles on the road today well exceed \$15,000 in sticker price, raising your liability limits to higher amount of coverage will provide you greater personal protection against property damage claims, as well.

Additional Types of Insurance

The automobile liability insurance just discussed only provides payments for damages caused to other people, not the driver and owner of the at-fault vehicle.

Collision and comprehensive coverage

Insurance to cover other concerns arising from an automobile accident is also available, but is not required by law. If you are paying a note on the car or truck, the note holder will require you to carry collision and comprehensive coverage on the vehicle. It is often a good idea to carry such insurance even if you own the car outright.

Collision

Collision coverage can be used when the vehicle is damaged in an accident regardless of fault and regardless of whether there was more than one car in the accident. It pays for damages to the vehicle only and any monies due to loss of use of that vehicle, and the insurance company is liable for repairs that in total sum do not exceed the fair market value of the vehicle at the time of

the accident. If that is the case, you should receive the fair market value minus the salvage costs. The criteria and formulations used by adjusters in settling property claims made on collision claims is the same as those used by adjusters settling victims' property damage claims on the liability portion of your policy.

Unlike liability claims which are made by non-fault parties on the at-fault party's policy, collision claims are made by the policyholder on their own policy for their own automobile's damages, and collision coverage is usually subject to a deductible amount between several hundred and several thousand dollars. The amount of the deductible is the choice of the policy holder and will affect the cost of your collision coverage.

Comprehensive

Comprehensive coverage covers damages to the policyholder's insured vehicle caused by events other than accidents such as storm or fire damage or loss by theft. Comprehensive coverage, like collision, only covers damage to your vehicle and its loss of use. It is also subject to a policyholder selected deductible. Like collision coverage claim, repair costs are capped in comparison to the fair market value of the automobile at the time of the accident.

Some vehicle owners drop comprehensive and collision coverage when the value of the vehicle becomes so low that paying insurance premiums begins to outweigh whatever one might hope to receive for a property damage claim that is restricted by the relatively low value of their vehicle. The time you may choose to drop collision and comprehensive coverage varies from vehicle to vehicle and the resources of the owner, and the decision should be made with careful consideration.

Medical payments coverage

Most insurers offer medical payments coverage of a certain limit that can be used for medical expenses incurred by the policyholder, driver and occupants of an insured vehicle involved in an accident regardless of fault.

Uninsured/underinsured motorist (UM) coverage

Often overlooked, but affordable, and required to be offered on every auto policy is uninsured/underinsured motorist (UM) coverage. Though many people reject this coverage, it offers protection to the policyholder and usually his family for damages sustained as bodily injury or vehicle damage if they are injured by an at-fault driver under any circumstance. This can be used only in instances where the at-fault vehicle is uninsured or underinsured to the extent the available liability insurance is inadequate to make a claimant fully compensated for all of his damages.