
Insurance Buyer Beware

*Things You Need To Know
About Buying Car Insurance in
Washington State*

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BUYER BEWARE

THINGS TO KNOW ABOUT BUYING CAR INSURANCE IN WASHINGTON STATE

The Minimum Insurance Requirements for Washington State

Many states have laws that require motorists to purchase a minimum amount of automobile liability insurance. In Washington State, a motorist must purchase a liability policy with minimum coverage of at least \$25,000 per person and \$50,000 per occurrence. The amount of your liability coverage is the maximum amount of coverage to pay for damages that you cause another. A policy that has coverage of \$25,000/\$50,000 is the minimum amount necessary before you can legally operate a motor vehicle in Washington. The “per person” limit means that the most money any one person can recover from the carrier for damages caused by a single accident is \$25,000. The “per occurrence” limit means that the most money the insurance company will pay out for any one accident (or “occurrence”) is \$50,000. So if you had a “minimum limits” policy and you cause an accident, the most your insurance company will pay to any one person is \$25,000. If the accident injured several people, your company will pay no more than \$50,000 total even if the combined value of the claims exceeds \$50,000.

In Washington, an automobile insurance carrier must offer other specific types of coverage on your auto policy. One of these types of coverage is called Personal Injury Protection (PIP). PIP is considered no-fault coverage that pays for medical treatment, lost wages and charges for reasonable domestic services that were incurred as a result of an accident. The term “no-fault” means that PIP coverage is available to anyone injured in an accident, regardless of who was at fault for causing the accident. PIP coverage is de-

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signed to pay for your past medical charges and lost wages in a timely fashion, so people do not have to wait to settle their accident claim. You can reject PIP coverage, but your rejection must be recorded in writing. If you reject PIP coverage, but your rejection is not recorded in writing your insurance company may still be required to pay you PIP benefits.

Another type of coverage that must be offered by the insurance company is called Uninsured/Underinsured Motorist (UIM) coverage. The purpose of UIM coverage is to compensate you for damages caused by an uninsured motorist or by a motorist who does not have enough insurance to fully compensate you for your damages. Just like PIP coverage, the insurance company must offer you UIM coverage unless you reject this coverage in writing. Your UIM coverage will equal the amount of your liability coverage unless you specify in writing a different amount. Statistics show that most accidents are caused by people who are uninsured or who don't carry enough automobile liability insurance. Therefore, you should always purchase as much UIM coverage as you can afford.

When the other driver has no insurance or not enough insurance

Many times an accident is caused by someone who either has no insurance or not enough insurance to pay for all of the damages. If you find yourself in this situation, you may have a claim against your own insurance company for Uninsured or Underinsured Motorist (UIM) benefits. If you have UIM coverage, then your insurance company must pay for all of the damages caused by the at-fault driver up to the policy maximum. Many people make the mistake of assuming that a UIM claim is easier to settle or resolve because they are dealing with their own insurance company. This simply is not true. The law allows your insurance company to assert all defenses which were available to the at-fault driver. For example, if there's a question about whether the other driver was 100% at fault, then your own insurance company may try to argue that you or someone else was partially at fault and then reduce the amount of your claim accordingly. You need to know that if you pursue a UIM claim, it does not matter to your insurance company that you have been a loyal customer for twenty years or that you have never before had to make a claim. What matters to your carrier is paying out little as possible. Therefore, you may

benefit from the services of a personal injury attorney even if you are pursuing a claim against your own insurance company.

Should I apply for benefits under my own insurance policy?

If you've been injured by another person and you have PIP or UIM coverage, it is usually worthwhile to file a claim with your own insurance company. In Washington there are special rules and regulations that apply to PIP and UIM claims. These rules and regulations can offer special protections to you. They can also give your insurance company special rights, like forcing you to attend an involuntary medical examination by a doctor of their own choosing. Sometimes insurance companies either ignore or intentionally violate these regulations in an effort to save the company money. So you may want to consult with an experienced personal injury lawyer if you have any questions, or if you are having problems with your own insurance company paying these types of benefits.

Does My Own Insurance Company Have to Be Reimbursed?

If your medical bills were paid by health insurance, or by PIP, then you need to be aware that the carrier may assert a claim for reimbursement out of your personal injury recovery. Why is this so? Because most policies now have what are called "subrogation" or "reimbursement" provisions that require you to pay back any benefits you receive. Your "insurance" really becomes just a "loan." This may not seem fair, but it's perfectly legal. I have handled cases where the client's own insurance company has attempted to take nearly the entire personal injury settlement as "reimbursement" for the benefits already paid! However, the law allows certain defenses and exceptions to this type of claim which may entitle you to pay back only a small portion or nothing at all. If you are faced with this situation from your own insurance company, you really do need to speak to an experienced personal injury attorney about your rights.

Protecting the Legal Rights of
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