



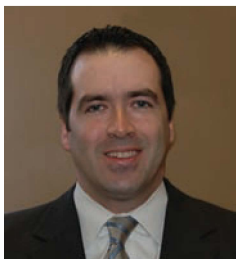
A LAWYER'S *Guide* TO CAR INSURANCE

HOW TO PROTECT YOURSELF
AND YOUR FAMILY IN CAR ACCIDENTS



BY
FRANK J. DITO, JR.

ABOUT THE AUTHOR



Frank J. Dito, Jr. is the founding partner of the Staten Island, New York Law Offices of Frank J. Dito, Jr. where he practices Personal injury Law. For over 29 years, Frank has been helping people who have been injured in car, truck and motorcycle accidents. He has experience negotiating with insurance companies and trying car accident injury and death cases.

Frank also helps people who have been injured in slips and falls, by dangerous products, and because of medical malpractice. Frank also practices in the field of workers' compensation, helping injured workers recover financial and medical benefits for the work related injuries.

Frank is a member of the New York State Trial Lawyers Institute and the Association of Trial Lawyers of America, an organization devoted to protecting individual rights and preserving the civil jury system in America. Frank is a member of the Multi-Million Dollar Advocates Forum, an exclusive group of trial attorneys that have achieved a verdict, award or settlement in the amount of Two Million Dollars or more.

Mr. Dito is licensed to practice law and regularly handles cases throughout New York State, practicing extensively in Staten Island and Brooklyn. He is a member of the Richmond County and Brooklyn Bar Associations.

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I *don't sell insurance, but I have written this book so that consumers could have solid, practical information regarding car insurance.*

Insurance companies have not done a good job in educating the public about how their car insurance really works and how it actually protects them.

After meeting with hundreds of potential clients, even many lawyers, and asking them what they knew about their car insurance, I realized this book was needed to help consumers make informed choices about purchasing car insurance.

WHAT YOU DON'T KNOW ABOUT CAR INSURANCE CAN HURT YOU!

WHAT IS INSURANCE?

First, you may ask what exactly is insurance. Insurance is a contract - an insurance company charges you a premium in return for the company's promise to protect you, financially, from a car accident – even from driver's that don't have insurance. With the purchase of insurance online and by phone becoming so common, consumers are told less and less about what insurance coverage is actually provided in their policies and how it protects them in a car accident. Imagine the following scenario:

You have just been involved in a car accident. You were stopped at a red light. You happen to glance in your rearview mirror after you hear the sound of screeching tires, hoping that sound is not coming from behind you. Unfortunately, it's too late for you to avoid the impending impact and you have just enough time to brace yourself as the screeching car crashes into your trunk. The next thing you remember, you smell the burning of a just fired airbag. Cars around you stop and their drivers ask if you are all right. Someone calls "911" and the police come to the scene, and they ask the other driver what happened and begin to fill out a police report. Witnesses say that the driver who hit you was going 50 miles per hour and barely hit the brakes. After the police investigated the accident, they ticket the other driver, not for being careless, reckless, driving too fast or not stopping until he hit you but for not having his car insurance in effect. You happen to be severely injured and are in too much pain to realize or even care how the driver's insurance, or yours for that matter, affects you. Paramedics are working on you at the scene and have already strapped you to a back board. You are taken by ambulance to your

local hospital where you are x-rayed, scanned, pricked, poked and prodded for hours until you are finally admitted. All you are concerned about, and rightfully so, is “am I going to be OK?” So far, all that you have heard from the doctors is that you have severe fractures to your right arm and leg and that you may have a spinal injury. You have been placed on painkillers and don’t really remember that you spent two weeks in the hospital and underwent three surgeries. You’re eventually discharged from the hospital with directions to stay in bed for at least two more weeks before starting physical therapy. One of the nurses said that the physical therapy would be intensive and would last for at least two months. As you’re leaving the hospital, after signing your discharge papers and your guarantee of payment, underneath all the pain, it finally hits you: who’s going to pay for all this? I don’t have health insurance. What am I going to do for money since I can’t work? I can sue the driver of the car that hit me? He has insurance? The answer might not be as obvious as you think.

REASONS THAT YOUR OWN INSURANCE POLICY MAY NOT FULLY PROTECT YOU IN CASE OF A CAR ACCIDENT.

When client’s come into my office after being seriously injured in a car accident, it’s the first time that they actually really learn about how their insurance – yes, their own insurance – works and how it will help them in this accident. The choices you made in purchasing coverage are made months or years before you may actually need the policy but when an accident happens, those choices have very real consequences. Your choices affect everything from how your car gets fixed and how your medical bills get paid to your ability to recover lost wages and even the amount that you can recover for your pain and suffering from the accident. Although it is a difficult decision to increase your

monthly premium for more insurance, car insurance will definitely come to your rescue at some point in your life.

Because these choices are so important, and since the majority of consumers purchase insurance online or over the phone based on the lowest quote, they may not be adequately protected when they are involved in a car accident. Since I too often hear about clients and friends that are inadequately insured, I have written this book so consumers can be properly educated when purchasing car insurance to protect them and their families in case of a car accident.

WHAT ARE THE BASIC PARTS OF AN INSURANCE POLICY?

Every policy of insurance in New York must contain Liability Coverage and Personal Injury Protection (PIP) benefits or, as it's more commonly known, No-fault.

Liability insurance provides coverage to you in case of a car accident that is determined to be your fault. If you are sued by another driver, the insurance company will hire lawyers to protect you (really to protect the insurance policy) and pay any settlement or verdict, up to the limits of your liability policy.

The insurance policy also includes property damage coverage where if you damaged another person's property, including their car, the insurance company would pay for that damage.

Most of the coverage's have a deductible, which is the portion of the losses that you agree to pay in the event of an accident. Just like a co-pay for health insurance, if the insurance

company pays out money under the terms of the policy, you must pay the first part of the claim, usually \$500 to \$1,000. If you have a low deductible, for example \$250, your insurance premiums will be much higher than if you have a \$1,000 deductible. The insurance companies include a deductible in their policies to discourage small claims from being presented for payment. So if you get a scratch on your car, the insurance wants you to pay for that repair out of your own pocket, not theirs.

NO-FAULT OR PERSONAL INJURY PROTECTION (PIP)

No-Fault was enacted in New York State to pay for physical injuries resulting from a car accident. Insurance companies, consumer advocates, attorneys and government officials all agreed that the courts were being slowed down with accident cases. They researched why so many cases were filed and found out that since most people had no medical insurance, they had to start a lawsuit to help pay for their medical treatment and lost wages. A compromise was reached; car accident victims would receive medical and lost wage benefits (No-Fault) but would give up their right to start a lawsuit unless they sustained certain injuries. No-Fault, in its basic form, provides a maximum benefit of \$50,000.00 for medical treatment, lost wages and “other necessary expenses.” What many people don’t realize is that No Fault benefits run with your own insurance policy, not with the other person you had the car accident with. Even if another car hits you from behind while you were stopped at a red light, an accident that is totally not your fault, the No-Fault benefits still come from your own car insurance policy.

NOTE TO MOTORCYCLISTS – YOU ARE ON YOUR OWN AFTER AN ACCIDENT!

In New York, if you are hurt while driving a motorcycle, you will not receive any No-Fault coverage. So if you ride a motorcycle, make sure that you have health insurance because your motorcycle insurance won't cover you if you're hurt in an accident.

The \$50,000.00 basic limit may be increased by purchasing additional insurance benefits at the time you purchased your policy. No-Fault, after your car accident, becomes your primary medical insurance for the injuries you sustained. Even if you are lucky enough to have private medical insurance, you must proceed through your No-Fault benefits. A medical provider in New York State should not bill your private insurance if they are aware of the existence of no-fault benefits. It is only until the no-fault benefits are exhausted or the benefits are terminated by your car insurance company can a medical provider seek reimbursement from your private medical insurance.

SOME MEDICAL INSURANCE PLANS ARE ONLY A "LOAN"

Even if you have private medical insurance, you may not be out of the woods yet. Some newer types of insurance plans say that if we pay your medical bills resulting from an accident that was someone else's fault, the insurer wants to be repaid every single penny before you collect anything for yourself. So, in other words, if you recover any money from the person that hit you for your lost wages, let alone your pain and suffering, your new medical insurance company may take it all. The law allows the medical insurer to place a "lien" against your case, which attorneys are routinely "put on notice" of, and are instructed not to release any money to the client without the medical insurer's written permission.

HOW DO I PROTECT MYSELF IF I AM HURT IN A CAR ACCIDENT?

You may choose to increase your insurance to include additional no-fault benefits above and beyond the minimum required by law. While your private medical insurance may cover you for any further medical treatment, no-fault will reimburse you for your lost wages and other expenses such as transportation to and from your doctors offices and even household cleaning help if you are unable care for yourself due to your injuries. The cost of the increased protection may be pennies compared to the financial benefit that you receive. Remember, you may be out of work for months while you are recovering from the accident and you will not receive any financial income from your medical insurance.

BESIDES NO-FAULT BENEFITS, WHAT ELSE SHOULD YOU LOOK FOR IN YOUR POLICY TO PROTECT YOU?

At the time you purchase your car insurance policy, you set yourself up for how well you will be protected in an accident- from your post-accident medical care to how your car is repaired. But what if the car that hit you claims that the accident was your fault? What if the other driver starts a law suit naming you as a defendant? How will your own insurance protect you?

The easiest way to protect you is to purchase higher liability insurance policy limits. This increase in coverage will protect and benefit you in numerous ways. In New York State, the minimum amount of insurance coverage required by law is \$25,000.00, commonly referred to as “25/50”. Other states require more insurance; others less or even no insurance. The reason why these limits and insurance requirements become so important will

be clearer as this book proceeds.

Whenever car insurance is written as “\$25,000/\$50,000”, the numbers are telling you what the coverage limits are available “per person” injured in the accident and what the total coverage is available to claimants in one single accident. This means that if you have a “\$25,000/\$50,000” policy, each person injured in the accident would be covered up to \$25,000, but the total coverage for the accident is limited to \$50,000. If three people are hurt in the accident, the most one person can recover is \$25,000 but all three people would have to share the \$50,000. If the claim exceeds the \$50,000, you would be responsible for any amount that the insurance policy did not pay.

THE ACCIDENT WAS MY FAULT AND THE PERSON I HIT WAS SERIOUSLY INJURED

Consider the following scenario:

You’re driving home after work. A person steps off the sidewalk and begins to cross the street. You’re tired and you don’t see the man or that the traffic light is red. You hit the person. You didn’t see him but you hit him. It was an accident. The man was taken away to the hospital and admitted to intensive care. You called the family to apologize and after telling you that he is in serious condition, they ask that you don’t call them anymore. You hang up the phone and wonder what is going to happen next. Will they get a lawyer? Will I be sued? Will this person be all right? If you own a home, your first thought may be that you will lose it because you only purchased the required New York State minimum coverages under your insurance policy. What should I do?

First, you should immediately report the accident to your

insurance company. They will ask you about how the accident happened and any other information that you may have about the person that was injured. They will also ask that if anyone representing the injured person contacts you about the accident, refer them to the insurance company. If you are sued, the insurance company is obligated to defend you in the lawsuit and will provide a lawyer to represent you. Most insurance companies have entire law firms that represent them in court. Although your insurance company has the obligation to defend you in a lawsuit, no matter how long it takes, they will only pay out the money listed in the “Coverages” section of your insurance policy. So after a trial, if a jury awards the person that you hit a judgment of \$500,000, and you only purchased the minimum required \$25,000 of liability insurance, you would be personally liable for the \$475,000.00 that the insurance does not cover. All your personal assets are exposed to pay the judgment, including your house, cars, boats, bank accounts and even some of your weekly paycheck, all because you are underinsured.

HOW DO YOU AVOID THIS FROM HAPPENING?

The easiest way to protect you is to purchase higher minimum liability coverage. You can easily increase the liability insurance minimums from \$25,000 up to \$500,000. In most cases your premiums do not increase dramatically in proportion to the amount of coverage that you are purchasing. The extra protection afforded to you by raising the liability coverage amounts is well worth the investment. But the question remains, “How much car insurance do I really need?”

The answer to that question depends on what you own. Experts recommend that you should get enough liability coverage to protect your assets. If you have a home worth \$700,000, is

\$25,000 of liability insurance really sufficient? Clearly not. So what if you do own that high-value home or other property? In that case, you should ask your insurance agent about an Umbrella Policy. Most homeowners will purchase what is commonly referred to as an Umbrella Policy, which increases the overall protections afforded to you. This policy places an “Umbrella” over you and your assets and protects you in amounts upwards of \$1,000,000.00 against judgments from car accidents or from accidents occurring around your home. These policies place higher limits on your insurance, in the amounts of \$1,000,000.00, \$2,000,000.00 and \$5,000,000.00. They are not as expensive as you would believe and easily coordinate with your existing insurance policies, namely your home and auto policies.

You may say that I am a careful driver.

WHY WOULD I NEED TO INCREASE MY INSURANCE BENEFITS?

It’s not always about how careful a driver you are. It’s about protecting you and your family from the reckless and dangerous drivers that we all see every day. As I have already shown, increasing your No-fault benefits will protect you if you are injured in a car accident and need medical treatment. However, basic No-Fault is a very limited benefit, especially when you are involved in a catastrophic accident. The basic benefits may be exhausted after just a few weeks in the hospital. What do you do for the long term? Would raising my limits help me in this situation?

Absolutely yes! In addition to the Basic \$50,000 No-Fault benefit, you can increase the benefits available to you to over \$100,000. For very little money, you can assure yourself of \$150,000 in medical benefits in the case of a serious accident.

You can also purchase OBEL or “Other Basic Economic Loss” benefits. So in addition to the Basic No-Fault and additional No-Fault benefits, you are eligible for an additional \$25,000 of benefits of your choice. Under OBEL, you choose whether the benefit is applied to either your loss of earnings and/or physical, psychiatric or occupational therapy and rehabilitation services. These benefits are not as expensive to purchase as you would believe but the protection they afford you if they are seriously injured could mean the difference between financial stability for your family or putting you on the verge of financial disaster.

WHAT ABOUT MY LIABILITY LIMITS IN AN ACCIDENT? SHOULD I RAISE MY COVERAGE?

A relatively unknown benefit exists if you raise your liability limits. Higher policy limits may enable you to recover money for your pain and suffering directly from your own insurance company if you are injured in a car accident. For example, you are involved in a car accident with another driver who only carries the basic insurance limits, which means a \$25,000.00 maximum policy benefit payable to you from their insurance policy. Now, even if you sustained injuries in that accident that would prevent you from ever returning to work, the maximum award you would receive from the other driver’s insurance company would still be \$25,000.00, regardless of the other driver’s fault. If your policy contained limits that were higher than the legally required minimum, you would be eligible to collect benefits from what is known as the underinsured portion of your insurance policy. So if you were covered by an insurance policy that contained a \$100,000.00 limit, you would also be eligible for underinsured benefits up to that same amount, minus the \$25,000.00 previously recovered from the other insurance policy.

WHAT IF THE OTHER DRIVER HAS NO INSURANCE?

What if the driver that hit you was uninsured, meaning that he was driving his car without proper insurance or his insurance denied him coverage? You still would be eligible to receive insurance benefits through your own insurance policy under the uninsured benefits portion of your insurance coverage.

Whether it's the Uninsured or Underinsured coverage, you would proceed to arbitration against your own insurance company. Arbitration is a less formal proceeding that is much cheaper and faster than a lawsuit. You and the insurance company agree on an arbitrator who will listen to both sides and make a decision as to how much money to award you. He or she will listen to the medical evidence presented by your doctor's and the insurance company's doctors. Always remember that although it's your policy, it's the insurance company's money and they will do everything to try and protect it.

WILL MY INSURANCE PREMIUMS BE RAISED IF I MAKE AN UNINSURED/UNDERINSURED CLAIM?

Unless you are held responsible for the accident, your insurance rates may not be raised if you file an Underinsured/Uninsured claim.

It's a good idea to sit down with an insurance broker to discuss the protections available to you. Additional benefits, such as increased no-fault, umbrella protection and higher underinsured/uninsured limits are relatively cost effective compared to the great benefits they afford you if you are involved in a car accident.

WHEN YOU RECEIVE A QUOTE FOR INSURANCE, BE WARY OF WHAT YOU ARE COMPARING

The days of the local insurance broker and especially, the independent agent, are over. The way insurance companies compete for your business in today's market is through TV advertising quoting cheaper rates between multiple insurance companies. What these comparisons fail to tell you is what the quoted policy includes and at what cost to your protection results from these "savings"? A client recently came into my office after being involved in a bad car accident having sustained a severe shoulder injury. Her job required her to lift heavy items on a frequent basis each day. Her doctor told her that she could not go back to work for at least three months and if she needed surgery, even longer. She came into my office, nervous about how she would be able to make ends meet if she could not work. I reassured her that no-fault, as we mentioned earlier, would provide her coverage for most of her lost wages. I submitted the proper paperwork to the insurance company to file the lost wage claim. Shortly thereafter, I received a denial of lost wage benefits in the mail, stating that the policy that the client had paid for did not include this basic protection. Although the ability of the insurance company to actually exclude this basic protection is in doubt, I asked the client for a copy of the declaration page of her insurance policy to confirm that this most basic protection was not included. Sure enough, the policy specifically excluded any protection for lost wages. The real shock came when I discovered how much she "saved" on her policy in return for giving up the lost wage benefits; \$28.00 per year! She purchased the policy directly from the company and never really understood the terms but the \$28.00 savings cost her over \$6,000.00 for the lesson. It's a perfect example of why your local broker should be your first stop when

purchasing insurance.

HIGHER INSURANCE LIMITS PROVIDE PEACE OF MIND AND FINANCIAL SECURITY.

I have had numerous clients call me and tell me that they are getting sued because of the car accident that they were involved in. Sometimes, the other lawyer puts in the amount of money that he is suing for – usually \$1,000,000.00 or higher – and the client will receive a frightening letter from his or her own insurer informing them that they will only cover them up to the limits of their liability insurance policy. As we spoke about in the earlier chapters, most insurance companies will sell you the minimum policy, which in New York state is only \$25,000.00. You can imagine how the client feels if they are being sued personally for \$975,000.00 more than the insurance will cover! My first question to them is “do you have an umbrella policy?” Most people are unsure of what an Umbrella Policy actually is. An umbrella policy allows an individual to protect himself or herself in two important ways:

- The umbrella provides excess liability over underlying coverage; and
- The umbrella provides liability coverage that may be excluded by homeowners or auto policies.

The umbrella policy is often referred to as a personal catastrophe policy and supplements the basic personal liability coverage provided under homeowners and auto policies. As I mentioned earlier, the cost of adding an Umbrella Policy is well worth the safety and security it provides.

HOW DO I KNOW WHAT MY COVERAGE IS?

Your coverage amounts are contained in the “Declarations”, or “Coverages” page of your insurance policy. For a sample Coverages page from GEICO, see below.

Date Issued: 06-19-08		Policy Number:	
PREFERRED			
VEHICLE	RATED LOCATION	CLASS, SYMBOL AND VEH. LIAB. SYMBOL	
1		A-L-70-74-S	GA
2		A-N- -L	RU
COVERAGES	LIMITS OR DEDUCTIBLES	Vehicle 1	PREMIUMS Vehicle 2 Vehicle
Coverage applies where a premium or 0.00 is shown for the vehicle.			
BODILY INJURY LIABILITY			
EACH PERSON/EACH OCCURRENCE	\$250,000/\$500,000	149.20	184.90
PROPERTY DAMAGE LIABILITY	\$100,000	63.10	89.30
BASIC PERSONAL INJURY PROTECTION	OPT-B/50,000/2,000WL	97.30	98.10
ADDITIONAL PERSONAL INJURY PROTECTION	\$100,000/\$2,000 WL	9.40	8.90
OPTIONAL BASIC ECONOMIC LOSS	\$25,000	3.80	3.60
SUPPLEMENTARY UNINSURED/ UNDERINSURED MOTORIST	\$100,000/\$300,000	31.10	31.10
EACH PERSON/EACH OCCURRENCE			
COMPREHENSIVE	\$500 DED/FULL GLASS	104.70	190.10
COLLISION	\$500 DED	227.00	326.00
EMERGENCY ROAD SERVICE	FULL	4.60	4.60
RENTAL REIMBURSEMENT	\$30 PER DAY \$900 MAX	15.10	15.10

The first Coverage listed is “Bodily Injury Liability.”

BODILY INJURY LIABILITY			
EACH PERSON/EACH OCCURRENCE	\$250,000/\$500,000	149.20	184.90

As we have previously discussed, under “Limits or Deductibles”, you will see “\$250,000/\$500,000” which means that coverage is limited to \$250,000 for each person injured in an accident. That means that the maximum any person can recover for injuries they sustained in one car accident is limited to \$250,000. The most that GEICO is obligated to pay out in claims in any one car accident is \$500,000, regardless of how many people were hurt. Simply put, if you have one person injured in the car accident, the

most that they can recover is \$250,000. If two people are injured, the most that either can recover is \$250,000. If three people are injured, the most that any one person can recover is \$250,000 but the total recovery cannot be greater than \$500,000. No one person can recover more than \$250,000.

Property Damage Liability means how much money that your insurance company is obligated to pay in a car accident for damage to property, which includes damage to cars as well as to other personal property.

PROPERTY DAMAGE LIABILITY	\$100,000	63.10	89.30
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You may not realize that if you are in a car accident and your car hits a building or a house, that damage would be paid back from the Property Damage Liability limits in your policy. So if you are in a car accident and you damage someone's home or an office building, you are responsible for the damage that you cause. That \$100,000 limit would be used to repay the homeowner or building owner for the repairs. Be aware that some of the cars that are out on the road today exceed \$100,000 in value. If the accident is your fault, you could be responsible to pay for the property damage to that car.

The next coverage is Basic Personal Injury Protection (PIP), or No-Fault, which lists the mandatory \$50,000 benefit and the mandated limit of \$2,000 wage loss.

BASIC PERSONAL INJURY PROTECTION	OPT-B/50,000/2,000WL	97.30	98.10
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Below that coverage you will find Additional Personal Injury Protection and Optional Basic Economic Loss.

ADDITIONAL PERSONAL INJURY PROTECTION	\$100,000/\$2,000 WL	9.40	8.90
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OPTIONAL BASIC ECONOMIC LOSS	\$25,000	3.80	3.60
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Again, this is a coverage that will protect you in case you are injured in a car accident. The Additional PIP increases the medical and financial benefits available to you over and above the basic No-Fault provisions. If you are severely injured and require months of hospitalization and rehabilitative care, this optional protection will provide you with benefits that may not be available to you elsewhere. If remember from our earlier discussion, No Fault provides coverage for medical treatment, lost wages and other necessary expenses. This coverage is available for less than \$30 per year!!

You will next see Supplementary Uninsured/Underinsured Motorist Coverage.

SUPPLEMENTARY UNINSURED/
UNDERINSURED MOTORIST
EACH PERSON/EACH OCCURRENCE

\$100,000/\$300,000

31.10

31.10

This is coverage that helps to protect you against irresponsible driver's who don't carry enough Bodily Injury Liability insurance or when you are simply injured in a "hit and run" accident where you can't find the driver of the car that hit you. It protects you and your family by allowing you to recover money from your own insurance company in the event of an accident with either an uninsured driver or a driver that does not have enough insurance. Remember in New York, you are only required to have \$25,000 in liability insurance and its clear how quickly that money may be used up. You may have also noticed that there are more and more out of state license plates showing up in New York City. Some states do not legally require a driver to carry car insurance!

Comprehensive insurance lists a \$500 deductible, and covers your vehicle no matter what happens.

Collision generally pertains to moving accidents but Comprehensive covers damage from floods, falling objects, vandalism and even fire. Most importantly, it covers theft of your vehicle. The premium that you pay is directly attributable to the deductible that you choose. The coverage also applies to glass breakage. The deductible does not apply to glass repairs.

Collision lists a \$500 deductible.

This is insurance that pays for damage to your own vehicle from an accident. Again, the benefit is subject to a deductible. Too low a deductible and your rates are high. Too high and you may be stuck paying for thousands of dollars in repairs out of your own pocket. An important tip is that if the accident is not your fault, you may be able to proceed through the other driver's insurance company and not make a claim through yours. This way, although it may be a little more difficult to settle your claim, you will be able to save your deductible and prevent your insurance rates from rising.

Emergency Road Service is exactly that – the insurer will reimburse for emergency repairs, such as a jump start or towing service.

This coverage is an exception - is not normally subject to a deductible.

Rental Reimbursement coverage pays for a rental car, up to \$30 per day and a maximum benefit of \$900.

RENTAL REIMBURSEMENT

\$30 PER DAY
\$900 MAX

15.10

15.10

If you are without a car due to damage from a car accident, you may rent a car until your car is repaired, up to the maximum benefit allowed under the policy.

NEW YORK REQUIRES A SEPARATE NO-FAULT BENEFITS DECLARATION PAGE.

GOVERNMENT EMPLOYEES INSURANCE COMPANY

POLICY NUMBER:

DATE ISSUED:

THIS IS NOT A BILL, but a breakdown of your No-Fault (PIP) coverages to show how much No-Fault coverage you have and the premium. Your total bill is shown on the bill page of your declarations. Your No-Fault coverages with premiums and your other coverages and premiums are shown on the vehicle page of your declarations. **REFER TO THE VEHICLE PAGE AND THE PERSONAL INJURY PROTECTION AMENDMENT FOR THE OPTION YOU CARRY.**

VEHICLE 1	PERSONAL INJURY PROTECTION (NO-FAULT)		
	COVERAGE LIMIT		PREMIUM
MANDATORY PERSONAL INJURY PROTECTION	\$ 50,000.00		97.30
OPTIONAL BASIC ECONOMIC LOSS	\$ 25,000.00		3.80
ADDITIONAL PERSONAL INJURY PROTECTION	\$100,000.00		9.40
AGGREGATE NO-FAULT BENEFITS AVAILABLE	\$175,000.00	TOTAL	110.50
	DED \$200.00		
* MAXIMUM MONTHLY WORK LOSS BENEFIT	\$ 4,000.00		
OTHER NECESSARY EXPENSES PER DAY	\$ 50.00		
DEATH BENEFIT	\$ 2,000.00		

VEHICLE 2	PERSONAL INJURY PROTECTION (NO-FAULT)		
	COVERAGE LIMIT		PREMIUM
MANDATORY PERSONAL INJURY PROTECTION	\$ 50,000.00		98.10
OPTIONAL BASIC ECONOMIC LOSS	\$ 25,000.00		3.60
ADDITIONAL PERSONAL INJURY PROTECTION	\$100,000.00		8.90
AGGREGATE NO-FAULT BENEFITS AVAILABLE	\$175,000.00	TOTAL	110.60
	DED \$200.00		
* MAXIMUM MONTHLY WORK LOSS BENEFIT	\$ 4,000.00		
OTHER NECESSARY EXPENSES PER DAY	\$ 50.00		
DEATH BENEFIT	\$ 2,000.00		

* THE MAXIMUM MONTHLY WORK LOSS BENEFIT AND OTHER NECESSARY EXPENSES PER DAY ARE INCLUDED IN THE AGGREGATE SHOWN ABOVE. THE \$2,000 DEATH BENEFIT IS IN ADDITION TO THE AGGREGATE.

(Note that this policy is for 2 vehicles.)

It lists the mandatory PIP benefits of \$50,000 plus optional basic economic loss (OBEL) of \$25,000.

MANDATORY PERSONAL INJURY PROTECTION	\$ 50,000.00	97.30
OPTIONAL BASIC ECONOMIC LOSS	\$ 25,000.00	3.80

OBEL provides coverage for your choice of benefits; either loss of earnings from work and/or psychiatric, physical or occupational therapy. This benefit comes into effect after the mandatory basic PIP benefit has been used up.

Additional Injury Protection increases the No-Fault benefit from \$50,000 to \$150,000. (\$50,000 basic coverage plus an additional \$100,000).

ADDITIONAL PERSONAL INJURY PROTECTION	\$100,000.00	9.40
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The declaration page lists the total aggregate of available no-fault benefits, in this example, \$175,000.

AGGREGATE NO-FAULT BENEFITS AVAILABLE	\$175,000.00	TOTAL	110.50
	DED \$200.00		

This may seem like a large amount of money but based upon the cost of health and disability insurance today, it is almost a necessary amount.

Finally, the declaration notes that the maximum monthly work loss benefit is \$4,000.

* MAXIMUM MONTHLY WORK LOSS BENEFIT	\$ 4,000.00
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This means that even if you were earning more than \$4,000 a month, your insurance will pay no more than the \$4,000 listed in the policy.

As you can see, car insurance coverage choices are complicated but extremely important. If you are involved in a car accident, the selections you made will substantially impact you and your family.

WHAT SHOULD I DO NOW?

If after reading this book and reviewing your insurance policy, you want to change coverage, immediately contact your insurance company or agent. Most insurance coverage should be changed immediately and take effect without you having to wait for your policy to arrive. Always check the new Declarations Page of your insurance policy after you receive it to make sure that the proper changes were made.

ABOUT THE AUTHOR



Frank J. Dito, Jr. is the founding partner of the Staten Island, New York Law Offices of Frank J. Dito, Jr. where he practices Personal injury Law. For over 29 years, Frank has been helping people who have been injured in car, truck and motorcycle accidents. He has experience negotiating with insurance companies and trying car accident injury and death cases. Frank also helps people who have been injured in slips and falls, by dangerous products, and because of medical malpractice. Frank also practices in the field of workers' compensation, helping injured workers recover financial and medical benefits for the work related injuries.

Frank is a member of the New York State Trial Lawyers Institute and the Association of Trial Lawyers of America, an organization devoted to protecting individual rights and preserving the civil jury system in America. Frank is a member of the Multi-Million Dollar Advocates Forum, an exclusive group of trial attorneys that have achieved a verdict, award or settlement in the amount of Two Million Dollars or more.

Mr. Dito is licensed to practice law and regularly handles cases throughout New York State, practicing extensively in Staten Island and Brooklyn. He is a member of the Richmond County and Brooklyn Bar Associations.

