

ONLINE RESOURCES:

**A Consumer's Guide to Automobile Insurance:**  
[www.ncdoi.com/\\_publications/consumer%20guide%20to%20automobile%20insurance\\_cau1.pdf](http://www.ncdoi.com/_publications/consumer%20guide%20to%20automobile%20insurance_cau1.pdf)

**www.cjglawfirm.com**  
(includes informational videos, FAQs, and blog)

**Information for cyclists:**  
[www.bikelaw.com](http://www.bikelaw.com)

*Please remember, every case is different. This brochure is meant as a general guide and not as specific legal advice. If you have been in a wreck, we are ready to help today. Call us at 888-407-5921 or visit our website, [cjglawfirm.com](http://www.cjglawfirm.com).*

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We hope you will never be in a wreck. Chances are, you won't. But, there are a lot of irresponsible drivers out there causing injuries every day. Some are driving while impaired. In case one of these drivers appears out of nowhere and you happen to be in the wrong place at the wrong time, we want you and your family to be protected as much as possible. We don't want you to be at the mercy of the other driver's insurance company. **The other driver's company has a duty to protect that driver, not you!** This brochure explains how insurance works after a wreck and what your insurance agent should be telling you **now**.



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8 questions your North Carolina insurance agent should answer before you are ever in a wreck

## Who pays my medical bills?

You may think that if another driver causes a wreck, his insurance company should pay your medical bills. However, that probably won't happen, unless you first release all your claims against the other driver—not a good idea when you've just been injured.

Do you have **health insurance** or Medicare? If so, now is the time to use it. Your health insurance company can't refuse to pay your bills because someone else injured you. Give your health insurance information to all of your medical providers and ask them to bill your insurer directly. The insurer may be entitled to reimbursement if you end up receiving a settlement or award in your claim against the other driver.

Even better, did your agent sell you **medical payments coverage ("med-pay") as part of your auto insurance policy**? This coverage reimburses you for all medical bills you submit, up to the limits of your coverage, whether or not those bills are covered by health insurance. And you can sometimes use it for things health insurance doesn't cover, like a wheelchair ramp, or to pay bills while you're temporarily out of work. Using it won't cause your auto insurance premiums to go up. Medpay coverage isn't expensive; you should carry as much as you can afford.

## Who pays for damage to my car?

The insurance company for the negligent driver should cover your property damage. If they won't, or if they're giving you the runaround, your own insurance should pay. Insurance covers the actual cost of repairs or the Blue Book value of your car, whichever is less. Insurance can also cover the cost of a rental car. Your agent should tell you how your coverage will get you back on the road in a safe vehicle after the wreck, no matter who's paying.

This is one area where the other driver's insurance company has a duty to be fair with you. If there is disagreement over how much the repairs will cost, you may need to get opinions from several repair shops to help you negotiate. If you believe an insurance adjuster has treated you unfairly, you can make a complaint with the North Carolina Department of Insurance, [www.ncdoi.com](http://www.ncdoi.com).

## Who pays if I can't work?

If you end up getting a settlement or award from the other driver, it should cover your lost income. But what do you do in the meantime, while you're out of work? Your health and auto insurance policies don't cover your lost wages.

Do you have **disability insurance**, either through your job or privately? Most of these policies pay a percentage of your usual income, starting after an initial waiting period.

Do you have **life insurance**? Some policies excuse you from paying premiums if you can't return to work, and some even pay a monthly income. Ask your insurance agent to help you review your policy.

## What if the driver who caused the wreck doesn't have insurance? Or doesn't have enough?

All drivers are supposed to carry liability insurance to pay for injuries they may cause. In North Carolina, drivers have to carry coverage of at least \$30,000 for each person they injure, up to \$60,000 per wreck. That may be enough for minor fender-benders, but any wreck serious enough to send you to the hospital for more than emergency room treatment and release can quickly run over the policy limits. Often, drivers who are irresponsible enough to cause wrecks are also irresponsible in not having enough insurance to cover the damage they cause. Some people drive without insurance, even though it's against the law. If you're hit by one of them, there's no driver's policy to turn to.

Here's where **your own UM/UIM (uninsured/underinsured motorist) policy** comes in—the part of your auto insurance that protects you if you're injured by an uninsured or underinsured driver. How it works: If your losses aren't fully covered by the other driver's insurance, the UM/UIM coverage in your own policy will pay the difference, up to your own policy limits. This coverage is for medical bills, lost wages, and pain and suffering. It doesn't pay for property damage.

## Is it okay for me to talk to the other driver's insurance company about what happened?

If you are in a wreck, your own insurance company has a duty to look out for your interests, but the other driver's company generally does not—especially when it comes to your personal injuries. **You do not have to give a recorded statement to the other driver's insurance adjuster.** Even if you think you have an open-and-shut case, the law isn't always simple. **Insurance companies know all the legal loopholes, and the other driver's company will try to use anything you say, no matter how innocent it seems, to try to avoid paying your claim.** Let your own agent or your lawyer handle things. This is your agent's job, and it's an easy way you can protect yourself.

## What is umbrella coverage?

Umbrella insurance is extra coverage that provides protection above the limits of auto and homeowners insurance. If you have significant assets, you may want to purchase an umbrella policy to protect those assets in case you happen to cause a wreck. Also, some umbrella policies will kick in and provide payments to you in case another person injures you and doesn't have enough insurance. Your insurance agent should tell you if this coverage is available to you.

## Can I settle with the other driver's insurance company before using my own UM/UIM coverage?

You should **not** accept a settlement from an underinsured driver's insurance company unless you have **written approval in advance from your own insurance company**. Otherwise, your company can refuse to pay your UM/UIM claim. The reason is that when you file a UM/UIM claim, you're authorizing your insurance company to "stand in your shoes" in pursuing a claim against the underinsured driver. If you settle with the driver's insurance company, you're cutting off your own company's right to file a claim.

## How much UM/UIM insurance should I carry?

A serious injury can be financially devastating if you don't have enough insurance. So it makes sense to buy as much UM/UIM coverage as you can afford. In North Carolina, UM/UIM coverage usually comes in these amounts:

- \$30,000 per person / \$60,000 per accident
- \$50,000 per person / \$100,00 per accident
- \$100,000 per person / \$300,000 per accident
- \$1,000,000 per person or accident

The cost difference between the lowest and highest levels of coverage isn't a lot, and having higher UM/UIM coverage can give you invaluable peace of mind. **It's one of the most important ways you can protect yourself and your family.** This is coverage your agent should be trying hard to sell you.