

## Coverage Corner

We get at least a couple of phone calls a week that start with the phrase, I had an accident and I was told it was a no fault accident. Unfortunately, that is a misrepresentation of the term “no fault” and it comes from a lack of understanding of the terms and definitions in an insurance policy.

First, what is “no fault” coverage? No fault is actually a slang term for the Personal Injury Protection portion of your NYS auto policy and has nothing to do with whose fault it is, in fact its purpose is just the opposite. The no fault system was adopted by NYS a number of years ago as a way to help unclog the legal system. It used to be that in order to get compensated for injuries sustained in an automobile accident you had to sue the other party involved. What the NYS No-Fault law says is: In all cases no matter who is at fault the primary method of payment for any injury sustained on, in or about any vehicle insured in NY is that car’s Personal Injury Protection. What this legislation did was to allow money to begin to be paid to medical providers immediately on behalf of the policyholder instead of potentially having to wait years for a lawsuit to progress through the legal system. This basically became a pay first and determine fault later situation.

Once fault is determined usually through a comparative negligence scenario the insurance carriers subrogate against each other and pay a proportional amount in the ratio of the fault determination. Fault is almost always assigned and there is rarely a 100% not at fault accident.

Here are some other examples of what the “no-fault” section of your policy covers.

1. Injury you sustain if you are involved in a one car accident.
2. Injury sustained to a non relative passenger when you are out of state.
3. Here is the biggy for all parents, it covers injuries sustained by your children if they are involved in an accident on the school bus!

Thank you for reading and participating and remember “don’t be cornered by your coverage.”

This column is strictly for general insurance information please consult your local agent for the specifics of your insurance program.

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