



Legal Newsletter

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Car and Truck Insurance - Part 2

In Part 1 of this article, we discussed two of the four main types of car insurance. We talked about liability insurance, which provides you with protection from claims by other people involved in a collision with you. In addition, we talked about uninsured, and underinsured motorist protection. Uninsured and underinsured motorist protection can provide you with compensation if you are hurt by another driver who does not have insurance.

In this part, we will address two other types of motor vehicle insurance: (1) Insurance that can pay to repair damage to your vehicle from a collision; and (2) Insurance that can pay medical bills for treatment of injuries suffered in a collision.

PROPERTY DAMAGE INSURANCE:

Property damage insurance provides protection to you for damage done to your vehicle in a collision. Property damage protection typically pays for the cost of repairs required to fix damage from the collision. The insurance company will often require that you get two repair estimates showing the necessary work, and the cost of that work. Sometimes the insurance company will have its own representative, called an adjuster, take a look at your vehicle and come up with his or her own estimate of the cost of repair.

Sometimes, damage to the vehicle is so great that it would cost more to repair the vehicle than the vehicle was worth at the time of the collision. In that case, the insurance company will not pay the cost of repair, but will only pay the value of the vehicle at the time of the collision.

The insurance company may determine the value of a vehicle in a number of ways. Some companies will look at national guides to the value of used vehicles. Other companies will look at computer records of the prices paid for similar vehicles in the area.

Whether the insurance company pays for the cost of

repairing your vehicle, or whether the insurance pays for the value of the vehicle at the time of the collision, the insurance company will deduct the "deductible." The amount of the deductible is set out in your insurance policy. The deductible is the amount that you must pay toward the repair of the vehicle, or that is deducted from the value of the vehicle.

The deductible only comes into play if you are making a claim under the property protection portion of your own insurance policy. If you are in a collision that was caused by another driver, and you make a claim against that driver's liability insurance, there will not be a deductible taken from the cost of repairs or the value of the vehicle.

MEDICAL PAYMENTS:

Medical payment coverage will pay medical expenses at the emergency room immediately after a collision. In addition, medical payment coverage will typically pay the cost of transportation to the hospital, such as ambulance or air ambulance fees.

Medical payment coverage will also pay the cost of care by a private doctor after the collision. This care may consist of hospitalization, office visits, testing, or treatment such as physical therapy. The treatment to be paid for must, however, be treatment of injuries that were caused in the collision.

Insurance companies will make medical payments for treatment that is reasonable and necessary. Insurance companies will sometimes refuse to pay for treatment that the company feels is not necessary to cure the injuries from the collision. In addition, insurance companies will sometimes object to treatment that they feel is requiring too many sessions, or is otherwise unreasonable.

Medical payment coverage is subject to policy limits, just like the liability, uninsured and underinsured motorist coverage discussed in our last newsletter. This means that the medical payments will only be made

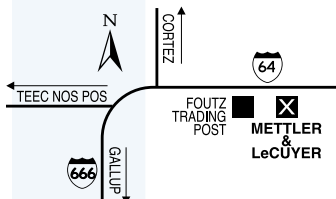
up to the amount of the policy limit. Once the insurance company has made medical payments that equal the amount of the policy limit, the insurance company will not make any further medical payments. Your insurance policy should list the policy limits for medical payment, liability, uninsured and underinsured motorist coverage.

INSURANCE REQUIREMENTS:

Both New Mexico and Arizona state law require that all motorists have certain minimum amounts of insurance. These amounts vary from state to state, but your insurance agent will be able to provide you with detailed information. Not all types of insurance that have been discussed here are required by law.

However, as we have shown, vehicle insurance can provide you with important protection. Vehicle insurance can provide you with protection from the claims of other people, and can provide you with compensation yourself if an uninsured or underinsured driver collides with you. Insurance can also provide you with protection of your own vehicle, and with access to private medical care for injuries.

Medical payment coverage and property protection coverage may be a part of your own vehicle insurance policy. If you are not certain whether you have this coverage, then it is a good idea to read your policy. The insurance agent who sold the policy should be able to answer any questions about the coverage you have, or the cost of adding coverage.



Mettler & LeCuyer, P.C., is a law firm serving the Navajo Reservation area from its office at Shiprock, handling primarily personal injury and accident cases, on-the-job injuries, medical claims, disability and insurance claims, uranium miners and Social Security. The firm has a branch office in Albuquerque. The office in Shiprock is located on Highway 64, just east of Foutz Trading Co., and is open 9:00a.m. - 4:00p.m. Monday through Thursday.

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