

Frequently Asked Questions

What is PIP?

Personal Injury Protection (“PIP”) is best described as immediate protection that you are buying for yourself and your passengers. It is insurance that helps pay for initial medical expenses and lost wages incurred in connection with an automobile accident regardless of who is at fault for causing the accident. Most states require insurance carriers who sell automobile insurance to offer PIP coverage to their customers. In Maryland, you can purchase PIP coverage in the amounts of \$2,500, \$5,000 or \$10,000. It is separate and apart from the insurance coverage belonging to the other driver(s) involved in the accident, or other coverages you may have (i.e., liability, property damage, collision, etc.). If you or your passengers are injured in an auto accident, you may be evaluated in the emergency room and may need to see your doctors and receive additional medical treatment, you may also miss time from work. If you carry PIP coverage, you and all of your passengers are entitled to make PIP claims immediately to help offset these expenses and losses right away. This is particularly helpful when the facts of the accident are in dispute. Without PIP coverage, you will have to pay your medical expenses out of pocket yourself and wait for your claim against the other driver to be resolved, a process that may take months, if not years (Read: How long will it take to resolve my claim? below).

Making a PIP claim generally does not put you at risk of an increase to your auto insurance premiums because a PIP claim does not indicate that you are more “risky” to insure and auto insurance premiums are based on a variety of factors indicating how much risk the insurance company is taking on by insuring a particular driver.

When purchasing insurance coverage, carefully consider the benefits of PIP coverage. Insurance carriers will tell you that you can waive this type of coverage in an effort to bring down your auto insurance premium, but we highly discourage waiving PIP.

What is my claim worth?

The value of your case is determined by the amount of damages you suffer. Damages take numerous different forms. Some examples are past and future medical expenses, past and future lost earnings, loss of future earning capacity, scarring, permanency, loss of household services, past and future pain and suffering, damage to

property, funeral expenses, wrongful death solatium damages (damages arising out of the loss of a parent, child, or spouse as a result of another’s negligence), or what are known as loss of consortium damages (a jointly held claim between spouses for damage to the marital relationship in all its forms). Every case is different and a case may touch on several different aspects of damages.

Generally, cases with severe injury (or death) have greater damages and will be worth the most. Where death is not at issue, the value of a case typically will be driven by the severity of the injuries and the length and expense of the medical treatment that will be required.

Contrary to popular belief, the amount of property damage to a vehicle does not necessarily indicate the severity of an accident. It is relatively common for individuals to be injured severely in cases with little property damage, especially with individuals whose health was compromised in some way before the accident (prior accident, ongoing medical condition). However, insurance carriers continue to devalue claims with little to no visible property damage, making these claims some of the most difficult to value and resolve.

How long will it take to resolve my claim?

There is no deadline by which an insurer is required to settle your case. In cases involving severe injuries, settlement negotiations may not begin until several years after the accident when the full extent of your damages, both past and future, have been determined. Settling your case before the damages picture is completely known runs the risk of you not getting full value for the case. The short answer to this question is “when it is ready to resolve.”

When a case is ready to be resolved depends on a variety of factors. The most significant being how long it takes for your physical condition to either return to being as it was an instant before the accident happened, or for you to reach what is known as “maximum medical improvement” (“MMI”). MMI is the point at which your medical condition cannot be improved any further because your healing has plateaued. You may be left with a permanent disability and require ongoing care to manage the disability, but further improvement is not expected.

Other factors that determine how long it will take to resolve your claim include whether liability for the accident is conceded or contested, how much and what types of insurance coverages are available to compensate you for your damages, and whether the case can be resolved pre-suit, or if a law suit is required.

If a law suit is required, it must be filed before the expiration of the statute of limitations, which is usually three years from the date of the accident. Some states have statutes of limitations shorter than three years, so you are always well-advised to speak with a lawyer as soon as possible after an accident.

Why do I have to repay my health insurer?

The purpose of health insurance is to protect us from high or unexpected health care expenses when we get sick or hurt ourselves. You (or your employer) pay a premium for this coverage. The premium offsets the cost of the care. When you get in an accident that is someone else's fault, that negligent person is responsible for paying for all of the damages that they caused you. They can use insurance that they have paid for (i.e. auto liability insurance) to help them do that, but they cannot shift the cost to you or your health insurer. However, your health insurance carrier understands that it can take time to pursue a claim against the responsible party and that you need immediate medical care while that claim is being pursued. So health insurance contracts are constructed in such a way that the carrier pays for your treatment up front with the requirement that when the negligent person (or their insurer) settles with you, you refund the amounts that the health insurer paid out for your treatment to the health insurer. This is called a "right of subrogation."

Repaying your health insurer avoids you receiving a double recovery, which is not permitted under Maryland law. In a negligence case, you are entitled to claim the full (billed) value of your medical expenses. In many cases,

those medical expenses are paid by the health insurance company before you receive a settlement or judgment against the negligent third party. Therefore, you could receive payment twice for the same damages (once from your health insurance, once from the negligent party or his or her insurance). Repaying your insurance company avoids this situation and insures that you receive only one recovery for the medical expenses claimed in the case.

For the same reason, government programs like Medicare and Medicaid have the same right to be repaid for benefits extended in connection with claimed injuries when there is a recovery from a third party.

Why do you need to know about my insurance (UM/UIM) when the accident wasn't my fault?

As was the case with PIP (Read: What is PIP? above), you may have no-fault coverage that protects you if a negligent driver either has no insurance, or not enough insurance to make you whole for all your claimed damages. This is called uninsured/underinsured motorist coverage (UM/UIM) and is a normal part of most auto insurance policies.

Also as with the case with PIP, insurers may recommend reducing the amount of UM/UIM coverage down to the Maryland statutory minimum (\$30,000) in an effort to reduce the cost of your insurance policy. We do not recommend this. This type of insurance protects you and your passengers. Additionally, Maryland law now allows for what is known as "Enhanced UM" which allows limited "stacking" of insurance policies, thereby bringing higher coverage amounts into play.

We will review your policy and advise you as to all available coverages.

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