



## **WHAT HAPPENS IF YOU INJURE SOMEONE AND YOU DON'T HAVE ENOUGH CAR INSURANCE?**

Tragedy strikes. You seriously injure or kill someone while you are driving. You didn't mean to, but the injury or death is your fault. What do you do?

First, call your insurance agent or insurance company and report the claim. Find out how much liability insurance coverage you have. If you only purchased the amount required by law, you only have \$25,000 worth of coverage. This will NOT be enough to fairly compensate the people you injured or killed. If you have less than \$250,000 of insurance coverage, chances are it won't be enough. If you have assets of any kind (a house, savings, income, investments, etc.) you will probably have to forfeit some of your personal assets to fairly compensate the people you injured.

If this happens to you, you should also hire a private attorney (in addition to the one the insurance company hires for you) to serve as "excess counsel" to help protect your assets, to make sure that your insurance company is fairly and promptly resolving the injured party's claims, and to help you negotiate a settlement from your own assets. The attorney hired by the insurance company will only represent you up to the extent of your insurance coverage. Your insurance company will advise you to hire private counsel to protect you. It is important to select an "excess counsel" who is an experienced personal injury attorney well versed in insurance law who understands the duties owed to you by your own insurance company and who knows how to accurately value and assess the injuries you caused. At Nelson Boyd, we routinely represent people who lack sufficient insurance coverage to adequately protect their assets.

Of course, if you have no insurance coverage at all, the situation is even more serious, regardless of whether you have personal assets. Your driver's license will be revoked, you will be fined for not purchasing automobile liability insurance, and you will be personally responsible for all injuries you caused, even if the person you injured had uninsured motorist coverage (their insurance company will pursue you to reimburse it).

To prevent against putting your personal assets at risk, take the following steps:

1. Talk to your insurance agent about the nature and amount of your personal assets and ask what type of coverage they recommend.

2. Purchase more than the minimum amount of liability insurance coverage required by the State.
  
3. Purchase an “umbrella policy” which will float on top of your automobile and homeowner’s insurance and provide you with additional insurance benefits in the event of a catastrophic injury. There are different types of umbrella policies available, depending on the insurance policy, but you should be able to purchase \$1 million umbrella policy relatively inexpensively.