

# **Personal Injury Law Podcast**

**by Rosenfeld Injury Lawyers**

## **Uninsured Motorist Coverage: What is Covered?**

Jonathan Rosenfeld:

Hello! I am Jonathan Rosenfeld and today I am joined with Gerald Beckerman, and today we are going to talk a little bit about uninsured motorists, and uninsured motorist coverage in particular, and if you are listening to this podcast or watching the video and are thinking to yourself "Well, that sounds like a really boring, esoteric, random topic." Well, before you automatically write this off, listen to this for a few minutes.

Jonathan Rosenfeld:

In today's world, post-COVID, we are seeing more and more people impacted financially by the COVID-19 fallout, and the incidents of uninsured motorists on the road in Illinois and across the country is really, really, really, unfortunately, on the rise. People are really facing some economic hardship today that they may not have faced in the past, and when it comes to making ends meet, one of the things that they are doing, unfortunately, is they are going without liability insurance coverage when they get behind the wheel. And despite the fact that there is mandatory auto insurance in Illinois, there are almost 13% of the motorists on the road today are driving without any type of liability coverage.

Jonathan Rosenfeld:

So, today I want to talk with Jerry about these situations, and about what drivers can do, and what you can do to protect yourself and your family from getting in an accident with a uninsured driver and really sort of being left out to dry in terms of financial recovery. So, Jerry, first off, thank you for joining me today. I appreciate it.

Gerald Beckerman:

Of course. Nice to see you again, and always happy to talk about the fascinating world of uninsured motorist coverage.

Jonathan Rosenfeld:

It is indeed a fascinating topic. Jerry-

Gerald Beckerman:

It's fascinating in the sense it's such a lifesaver to so many clients and all. I'll give some stories about just what this unknown insurance provision can really do and how it can change someone's life for the better. But, go ahead. I'll give you those examples of all of that.

Jonathan Rosenfeld:

No, I think that it's one of those things where you get your insurance policy and it's pages and pages and pages of super fine print, and you may read the first page or whatever, and then you sort of shake your head and bury it in the sand and scribble off and send your payment. But, it's an important thing to have when the situation arises and you're actually really grateful that you have it. So, I guess to begin with, can you just sort of give us a little bit of an explanation about what uninsured motorist coverage is?

Gerald Beckerman:

Sure, let me do this. Let me tell you the story about why, and then we'll kind of work backwards, it's so important and what the benefit of having it is, and I'll explain the nuances because the story is always a nice, more interesting way to get an understanding of the topic. I had a client, who happened to just be a friend of mine. He was out on a date with a girl. They were driving, their first date, they were coming back from dinner, and they got in a really bad accident here in Chicago off of [inaudible 00:03:59] Drive. Actually, right in front of our office. This is a while back. Fortunately, at that time they were struck by a vehicle that had adequate insurance, \$250,000 insurance policy. It was a Cadillac, something or other corporate car, and there was enough damages for them to recover from this big fireball of an accident.

Gerald Beckerman:

They were hospitalized for it, et cetera, et cetera. I told them at that time, "Jake, you're very lucky that this car had coverage because I looked at your insurance policy and you only have \$50,000 of uninsured or under-insured motorist." I said, "You really, really should talk to a broker and get that increased," because you never know when you get in an accident and the other person doesn't have \$250,000 of available insurance. They may only have 25. They may only have 50. He took that advice to heart. They actually wound up getting married, the same friends of mine.

Gerald Beckerman:

Five-six years later, they got into a pickup truck, out in another state with four other friends. Out on the day of water skiing just enjoying some outdoor activities in a rural part of the state, and the driver of the car that they were in made an illegal U-turn in front of another pickup truck and caused a terrible, terrible accident where four people, including my friends who were in the car, were seriously injured, again. One person passed away and there's a total of seven injured people all in this case, including a fatality. The driver who had the car that they were in had \$50,000. The driver of the other car, who may have been at fault, also had \$50,000.

Gerald Beckerman:

That is a total of 100,000. That was to be split between seven people, including the estate of someone that passed away, and my friend had significant, significant, significant injuries. Hospitalized. \$500,000 in medical bills. Well, he took my advice, that I gave him those five years back, to heart and bought a million dollars worth of uninsured motorist coverage, which, and I'll explain what that is in the sec. Didn't cost him a lot of money. Cost them a couple of hundred bucks per year, but he took my advice to heart because he purchased that and spent \$200 bucks or whatever it was to have that coverage. He was able, and we were able to secure for him,

total of \$1.1 million in recovery for his medical bills, his pain and suffering, his loss of income. Whereas, otherwise he would have only been able to recover, I think about \$8,000.

Gerald Beckerman:

So, we're talking just a wild swing, and life-changing, and important money, and deserving money for the kind of injuries he sustained without having any fault of his own and being through such a tragic accident, having lost a friend. So, that's kind of what the end goal of getting this coverage is. What is it? What is this magic thing that gives you money? It's basically a provision in an insurance policy that provides coverage to you, if you are injured in a motor vehicle accident, that covers you above and beyond what the person that injured you covers on their card. So, if John and I get in an accident, and I carry a \$100,000 in insurance and I rear-end John at 60 miles an hour cause I'm texting and watching the NCAA tournament on my phone instead of paying attention to the road, and poor John is badly injured. Breaks every bone in his body.

Gerald Beckerman:

He goes to the hospital. He wants to sue me. He wants to file a claim against my insurance. My insurance will say, "Listen, this guy Jerry Beckerman, he's kind of a loser. He doesn't have any assets. He owns a lot of credit card debt. He's basically bankrupt. He has a \$100,000 of insurance. We'll give it to you. Good luck. I know you have \$250,000 worth of medical bills. I know you're going to miss a year of work. I know you have scarring and you're going to be in pain the rest of your life, but all we got is a hundred thousand. Godspeed." Now, John, being the astute attorney that he is, obviously carries a large uninsured motorist policy. So, that means at some point back in the day, kind of like my friend, he contacted his broker and that doesn't have to be a broker. It could be online through Geico.

Gerald Beckerman:

It could be online through State Farm, Progressive, and he chose to increase his limits for uninsured or under-insured motorist coverage to a high number, maybe 500, maybe a million, and he chose to pay a little bit of an extra premium for it, and they're really not large premiums. Chose to pay another couple of hundred bucks per year for the protection. I call it kind of like a life insurance policy, or a hazard pay policy of some sorts, but he chose to have this uninsured, under-insured coverage, and that gives him a gap of coverage from whatever me, the deadbeat with a \$100,000 only my insurance can give him, up to whatever he paid for. So, if my coverage is a hundred, my insurance company gives it to John for the injuries that I caused him. His own insurance then steps in and whatever limits he paid for.

Gerald Beckerman:

If it's 500, they'll give them an additional \$400,000 for his medical bills, his lost time from work. If it's a million dollars that John has in uninsured or under-insured coverage, it would be an extra \$900,000 that he could collect, okay? From his insurance company. Doesn't mean they're going to hand it over to you. You still got to prove your case. You got to go to arbitration, I'll explain the nuances, but it gives you an opportunity to recover more money than someone like me that carries a hundred, or someone that's even more of a deadbeat and doesn't buy any insurance.

Kind of like John said, so many percentage of people don't carry any insurance. So, a zero. You get nothing for me. Your insurance would step in and cover that portion.

Jonathan Rosenfeld:

Yeah. I think it's important to realize that in Illinois and other states, the wallet liability insurance is mandatory. The limits, the minimum coverage limits are extremely, extremely low. The state of Illinois recently raised the minimum to \$25,000 in terms of liability coverage, and that \$25,000 that covers situations where a person may have catastrophic injuries. You may have multiple fractures, extended hospitalization. You may actually, or a family member, actually may die in an accident, and at the end of the day, you are essentially going to be limited to, in terms of collecting from the person who may have caused the accident, by the limits of their insurance coverage. Most people, I think, don't realize that when someone says, "Hey, I have full coverage." That basically just means that they have the minimum coverage out there. That doesn't necessarily mean that they have sufficient coverage to cover a loss or an injury.

Jonathan Rosenfeld:

And I think that's something that a lot of times people naively might think, "Hey, all right, that guy has got full coverage, I'm good." The other thing that I think I would just add is that, well, if someone even sues the person who caused the accident individually. Most people don't have significant liquid assets to satisfy a judgment against them for a significant injury.

Gerald Beckerman:

Yeah, absolutely.

Jonathan Rosenfeld:

People don't have hundreds of thousands of dollars sitting under their bed or in their bank account to satisfy a situation like that. So, all the more reason to. If you can afford to have a Netflix account, you can afford to have uninsured motorist coverage in a relatively significant amount. So, I think all your suggestions are really, really important for anyone out there who's involved or even considering getting any type of insurance coverage for their vehicle.

Gerald Beckerman:

And it doesn't just cover you uninsured or under-insured coverage, it also covers your family members, members of your households. So, we have a lot of cases where a 16 year old, the parents gave the car to the 16 year old, the 16 year old is not at fault. They get in a hit and run by a drunk driver who's never caught, they're badly injured, the 16 year old, and the parent's policy that they have on their car gives \$500,000 of uninsured motorist, under-insured motors coverage would apply to that child as medical bills, injuries. And we've had great success recovering those kinds of amounts for those kids. And if they parents didn't pay for those policies, like that Netflix account analogy, and payout a couple hundred dollars a year to have this coverage and increased limits, then that child of theirs would recover nothing potentially from an at-fault driver.

Gerald Beckerman:

It's really, really important. And another thing that that you mentioned, John, a personal injury judgment or verdict kind of goes last in line against an at-fault party. So, if you don't have assets

and you don't have a couple hundred thousand dollars under your bed, which most people don't, and you only carry a \$100,000 of insurance and I badly injured John, right? John didn't pay for any uninsured, under-insured extra levels for himself. And he's going to sue me. He doesn't want to just take a \$100,000, and he goes to court and he gets a judgment against me for a million dollars. Well, guess what? It's not like I'm going to pay him a million dollars. He goes last in line behind home mortgages, credit cards, student loans, any and all other creditors. Personal injury kind of goes last in line.

Gerald Beckerman:

For example, I don't know if people remember 2008, there was a big recession and General Motors had a lot of cases pending against them for faulty airbags, rollovers. Just a lot of product liability lawsuits. All those had to take a pause during the restructuring and bankruptcies and all that. I mean, it's just really hard to get assets collected, even against corporations sometimes, against individuals and car accidents. It's near impossible. So, the best protection you can give yourself and your family members is to pay a little bit extra in that premium, get uninsured or under-insured coverage of limits that are at a minimum 250,000 upwards of 500 and even a million or more if it's doable.

Jonathan Rosenfeld:

Yeah, and I think that the other thing that a lot of times people don't realize with uninsured motorist or under-insured motorist coverage is other situations that may have given rise to coverage. For example, let's say you're out walking with your kids and, God forbid, someone blows a stop sign and hits your family, or something, as pedestrians. There could be coverage. If you're a bicyclist and you're doing your best and you're staying in the lane and someone, God forbid, hits you. If you decide to jump in a car with a friend or something. These are all situations where uninsured or under-insured motorist coverage would apply and it could really not just come in handy, but really protect yourself and your family from significant financial hardship that you could endure as a result of your insurance.

Jonathan Rosenfeld:

So, I think that this is all really, really important because a lot of times people don't realize the intricacies of this stuff until way after the fact where, "You know what? It's too little too late," as I like to say sometimes. So, this is good advice. Now, I just want to talk with you, real quickly, a little bit more about how these cases, uninsured motorist coverage cases, potentially could get resolved as opposed to traditional motor vehicle accident cases where let's say, using your analogy again, you rear-end me, and I said, "Hey, you know what? I'm hurt. My back is messed up. I'm going to file a lawsuit against you." In a situation involving an uninsured motorist or under-insured motorist, can you explain just a little bit how that process works in terms of resolving the case? Because as far as I'm aware, you don't go out and just necessarily file a lawsuit. There's a certain procedure that has to be followed, correct?

Gerald Beckerman:

Absolutely, yes. So, the uninsured and under-insured world takes place in an arbitration setting. So, there's no one to sue. You can't sue your own insurance company. You got to follow the arbitration act. No one reads it, but when you get an insurance policy, you get a pamphlet that

big containing all the provisions. We, the lawyers, we read them. So, we have to follow them. But, in long and short, is that there's no judge. There's no jury overseeing your case. You've got to follow certain steps. You still got to work with an attorney. You got to answer your discovery documents. You've got to produce your medical records, your background, your work information. You have to sit for the quasi deposition. They call it a recorded statement, talking about the accident, your injuries, your damages, everything you claim you've lost, why you're seeking compensation.

Gerald Beckerman:

Your doctors have to give supporting documentation and depositions to support your injuries. Your employer must support your lost wages. I mean, all the same steps we would take in the jury trial, except there's no jury. There's a three panel arbitrator, typically, that makes decisions, weighs all the evidence, and then gives you an award. They move a little bit slower. There's no jury trial mechanism, unfortunately. So the uninsured, under-insured cases sometimes take a little bit longer, but the results, I mean, usually your insurance company is going to pay you a fair value on a case that's legitimate, that you've sustained legitimate injuries. Cause you pay for this coverage, right? It's an insurance policy you bought for yourself. You've paid the money to this, to Allstate, or State Farm, or Zurich to give you this coverage, and ultimately these cases result in favorable outcomes. And all you have to do really to get this process going, contact an attorney and notify, and we notify them of our intent to proceed to arbitration under your uninsured or under-insured policy. The ball gets rolling and it's as simple as that.

Jonathan Rosenfeld:

No, these are important things that hopefully people won't have to deal with, but it's nice to know that there are seasoned attorneys out there who can really help people navigate through a potentially really difficult time and uncertain time. So, I want to thank you today for joining me, and this is great information and thank you.

Gerald Beckerman:

Of course. Thank you, John. Happy to help.