

Lowenthal & Abrams, P.C.

Toughness and Integrity

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Jeffrey P. Lowenthal & Dennis M. Abrams

Buying auto insurance is one of the most important purchases you will ever make. Since most people don't understand auto insurance terms, drivers often have insufficient automobile coverage to protect their vehicles and families.

To an auto insurer, you're a set of "risk factors." To an insurance agent, you're a sale. To us, you are part of our extended family, and we want you to be educated consumers. We are calling this newsletter "Things You Need to Know About Auto Insurance."

We hope you find the articles informative and useful. Please remember to drive safely and enjoy this summer driving season.

Do You Have Enough Auto Insurance?

Many who think they have sufficient auto insurance protection learn otherwise after accidents. One option every driver should purchase is uninsured/underinsured motorist coverage (UM/UIM). The cost is very reasonable, so **never sign UM/UIM waivers!**

UM coverage protects you when a negligent driver in an automobile accident has no insurance. It pays for the pain and suffering associated with serious injuries. Combined with **FULL TORT coverage**, it pays for smaller injuries as well.

UIM coverage safeguards you if you are injured by a careless driver who has only minimal insurance. UM doesn't apply because the other driver has insurance coverage, just not enough to cover injuries more serious than the other driver's coverage.

Protect yourself

Therefore, be sure you have sufficient auto coverage for yourself and your family. Talk to your auto insurance agent to learn more about UM/UIM coverages. If they are inadequate, increase this relatively inexpensive protection. In Pennsylvania, you can purchase as much UM/UIM as you purchase for liability coverage in case you injure someone else.



What you need to know

Shopping for auto insurance



The seven steps in buying auto insurance that will best protect you and your family include:

1. Educating yourself about state auto insurance requirements.
2. Comparison-shopping coverages.
3. Meeting with several insurance agents.
4. Reading the entire policy very carefully.
5. Listing all drivers.
6. Paying premiums promptly.
7. Disclosing past claims.

Types of coverage

Auto insurance policies include several coverage elements, specifically costed out, that you should understand:

Bodily injury liability—protects you against injury, death claims, and legal expenses from an accident.

Property damage liability—covers property damaged by your car in an accident. Since liability covers other parties, almost all states require it.

Medical payments—compensates for injuries your passengers suffer. In some states it's optional. In “no-fault” states, personal injury coverage replaces basic medical compensation coverage.

Uninsured/underinsured motorist protection—pays for your and your occupants' accident injuries from uninsured, inadequately insured, or hit-and-run drivers.

Collision coverage—after you pay the deductible, it reimburses for damage to your vehicle, up to its book value.

Comprehensive—covers physical damage to your car from fire, flood, theft, vandalism, wind, and other nonaccident causes, also with deductibles.

What affects auto insurance rates?

The insurance industry uses data that weigh the following risk factors in calculating your policy payments:

■ **Accidents**—Every fender bender increases a driver's risk quotient.

■ **Age**—Youthful males and older drivers can be expected to have more accidents.

■ **Credit rating**—Lower FICO credit scores translate to higher insurance risk.

■ **Gender**—Women are safer drivers than men.

■ **Location**—Rural drivers are lower risks than urban drivers.

■ **Marital status**—Married individuals are considered safer drivers.

■ **Occupation**—Significant business-related driving increases risk.

■ **Traffic citations**—Every speeding, red-light running, and other traffic ticket raises the risk ante.

■ **Vehicle**—Sporty vehicles are more risky than conservative family sedans. Also, air bags, braking-safety systems, theft-deterrent devices, and other features decrease risk.

■ **Others**—Insurers also factor annual mileage, distance to work, and years behind the wheel into risk assessment.



How about auto insurance

Auto insurer tactics

Insurers are profitable because they increase premiums and deductibles, and then reduce liability coverages whenever they can. Many drivers report abusive and unfair behavior by insurance companies.

Pressure to settle

A woman sustained lifelong, debilitating injuries as a result of an auto accident. The at-fault driver's insurance company tried to pressure her into a speedy, unfair settlement. Incredibly, when she refused, insurance company representatives demanded money from her for the driver who caused the accident. If she disagreed, they threatened to ruin her credit!



Silence from adjusters

A driver didn't hear from an insurance adjuster until two months after a wreck in which she was seriously injured and not at fault. She tried to settle her claim for the amount of her expenses, but was refused. With bills piling up and creditors calling, she finally settled her claim after a year of battling the at-fault insurance company. She was still forced to pay \$2,500 out of her own pocket for damages.

Special considerations

Rental car liability insurance

Personal auto insurance will usually cover you for a rented car. However, you should confirm this with your insurance agent.

Most auto policies provide rental car liability. However, collision damage to rental cars is covered only under a policy's comprehensive and collision coverage. Be sure your auto policy includes these coverages.



Your credit cards may also provide insurance accident coverage. To be eligible, you may have to decline the collision damage waiver (CDW) and charge the full amount of the rental car on your card.

Reconfirm that your card issuer offers these services, and review the limitations and exclusions your credit card may impose, such as limited rental contracts and approved rental dealers. If in doubt, purchase the CDW for peace of mind.

Consult an attorney experienced with auto accidents for counsel.

Work-related accidents

Employees injured in auto accidents during employment-related driving customarily have three protections:

- Workers' compensation benefits. Workers' compensation benefits, such as wage-loss coverage, often face insurance-company-imposed limitations, so check with human relations specialists. Consult an attorney experienced with workers' compensation for counsel.
- Personal liability insurance coverage. Be sure your liability and UM/UIM coverages are adequate.
- Personal injury claims against at-fault drivers. Contact an attorney for counsel.



Auto accident attorneys

No matter how carefully you drive, you can't control other drivers' behavior on the road. Attorneys experienced in representing drivers who have gotten into auto accidents as a result of others' negligence and poor judgment can obtain fair and just compensation in courts of law.

Accident cases

Insurer fails to pay underinsured motorist claim

A pickup truck backed into a car driven by a driver recovering from back surgery. The injured driver's doctor determined that the accident caused the patient's initial disk-fusion surgery to fail, which necessitated two additional surgeries. When the injured driver sued for medical expenses, the truck driver's insurance company refused to pay the full underinsured motorist claim. When the injured driver's attorney filed a bad-faith claim on his behalf, a jury's verdict resulted in a significant award.

Passenger killed by drunk driver

A husband and wife were passengers in a car allegedly driven by a drunk driver who lost control of the vehicle and struck a utility pole. The husband was killed instantly by a section of the pole that entered the car. The defendant pleaded guilty to impaired driving, and the wife's attorney sued for her husband's significant lost income and her own posttraumatic stress disorder. The parties settled prior to trial.

To enable us to communicate more easily with you, please send your e-mail address to us at Amy@LowAbram.com

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The information included in this newsletter is not intended as a substitute for consultation with an attorney. Specific conditions always require consultation with appropriate legal professionals.



Motorcycle Safety Tips for Pennsylvania Motorcyclists

Along with the National Highway Traffic Safety Administration (NHTSA), PennDOT is pointing out that though motorcycles have the advantages of fuel efficiency and maneuverability, they have some disadvantages that need to be minimized for safe operation. Automobiles have built-in “crush zones,” designed to absorb the substantial crash forces involved in a crash even under 40 mph. However, motorcyclists must rely on riding skills and protective gear to reduce their potential for injury in crashes. Eighty percent of motorcycle crashes result in injury or death, and the fatality rate for motorcyclists is 18 times higher than for passenger-vehicle operators, according to the NHTSA.

Since half of motorcyclists’ fatalities in single-vehicle crashes involve problems negotiating a curve before the crash, it is critical that operators know their skill limits.

Here are some basic riding tips:

- Activate your headlight at all times of the day (Pennsylvania law).
- Get a motorcycle license through a Driver License Center or the basic motorcycle course.
- Be alert, rested, and alcohol- and drug-free.
- Use both brakes to stop.
- Maintain your motorcycle.
- Be on the lookout for obstacles, debris, and loose gravel.
- Be aware that other motorists may not see you—drive extra defensively.
- Leave at least two seconds’ space between you and the vehicle in front of you.
- Be prepared for potential problems at intersections—many vehicle/motorcycle crashes occur there.
- Obey traffic laws.

Motorcyclists also need to wear protective gear to reduce the potential injuries from crashes. Recommended protective gear is as follows:

- A quality motorcycle helmet and eye protection; helmets are 29 percent effective at preventing fatal injuries and 67 percent effective in preventing brain injuries, according to the NHTSA.
- A brightly colored helmet, leather or denim jacket, and full-fingered leather gloves.
- Jeans and/or leather chaps, and boots.

Drivers of other vehicles should be on the lookout for these two-wheeled vehicles during the warmer spring, summer, and fall months.

What I’m Tired Of!

By Jeffrey P. Lowenthal

You know what I’m tired of? Insurance agents who suggest large coverage limits for liability to cover someone you may injure but then convince you to reject full tort coverage and/or uninsured motorist coverage. “Full tort” is essential to recover for pain and suffering if you suffer an injury that is less than catastrophic. Instead, the agent suggests “limited tort” and you find out that just because your injuries are not permanent, you can’t recover any compensation for many months of suffering. What should you do?

Bring your policy to an experienced injury attorney for an analysis of your coverages. Find out if you’ve been a victim of insurance company shenanigans.

What are you tired of?

E-mail us at Amy@LowAbram.com. Tell us your frustration with insurance companies or any injury.