

Types of Auto Insurance Coverage Defined

Required Insurance

Liability Insurance:

This coverage protects you for damages you cause to other persons through the use of your automobile. The other persons include both passengers in your car or persons in another vehicle involved in an accident with you. The insurance company promises to pay up to the amount stated in the policy for the other person's medical expenses, lost wages, pain and suffering and other losses. This is a fault-based coverage, that is, the coverage only applies if you are determined to be more at fault than the person who suffers the injury. Beginning January 1, 2010 the minimum amount of coverage required will be \$50,000 per person or \$100,000 per accident.

Property Damage Liability Insurance:

This coverage operates on the same basis as the bodily injury liability insurance, but pays for damages to the other car or other property if you cause an accident. The insurance company promises to pay up to the amount stated in the policy for any damages to the property of others including cars, houses, or other physical property. It does not cover damage to your automobile and in most cases will not cover damages to someone else's car you are driving. Beginning on January 1, 2010 the minimum amount of coverage you must purchase will be \$15,000.

Underinsured Motorist Coverage (UIM):

This coverage is personal and portable and protects you or others riding in your car or as a pedestrian for any bodily injury caused by a person who has insurance but not enough to cover all your medical bills and other expenses. UIM coverage is defined by comparing the negligent driver's liability insurance limit with the amount of damages (or injuries) actually sustained by the person injured. Beginning on November 1, 2009, the coverage will be mandatory in the amount of \$100,000 per person and \$300,000 per accident.

Uninsured Motorist Coverage:

This coverage, included on all automobile liability policies sold in Wisconsin, provides coverage for you or others who are riding in your car for any bodily injury caused by a person who does not have insurance. This coverage is personal, which means it continues to cover you even if you are riding in someone else's car, riding a bike or walking. Beginning on November 1, 2009 the amount of coverage you must purchase is \$100,000 per person or \$300,000 per accident.

Optional Insurance Coverages

(Some of these coverages may be required by lending institutions if a loan is secured to pay for the vehicle)

Collision Insurance:

This is an optional coverage that pays for damage to your car from an accident, no matter who caused the accident.

Comprehensive Insurance:

This is an optional coverage that pays for damage to your car caused by fire, theft, vandalism, or other dangers.

Medical Payments Coverage:

This is an optional coverage that pays you or others who are riding in your car for medical or funeral expenses, no matter who caused the accident. The minimum amount of coverage will rise to \$10,000 on November 1, 2009.

Umbrella Or Excess Insurance Policy:

This provides additional insurance protection above the limits of your first level of insurance coverage. Beginning after November 1, 2009, insurance companies must offer to sell you additional uninsured and underinsured motorist coverage. If you do not want the coverage, you must reject the offer of coverage in writing.

The Wisconsin Association for Justice provides this document as a public service to the insurance consumers of Wisconsin. It is intended to alert consumers of the important changes that will occur with your automobile insurance policy beginning in November 2009. This document does not provide legal advice; always speak to a lawyer if you have a legal question or if you have been hurt in an accident. The members of the Wisconsin Association for Justice are determined to do everything in their power to advance the law, educate consumers about their rights, and assist injured people. This document represents an effort in that direction.

22 South Jackson Street
Janesville, Wisconsin 53548



scott@scottschroederlaw.com
ph: (608) 752-2555 Fax: (815) 572-0261
scottschroederlaw.com