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Topic for the Month:

Your Automobile Insurance Policy: Know What Coverage You Have

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Your automobile insurance policy is one of your most important contracts. In exchange for your premium payment, the insurance company promises to do many things for you and explains a number of things it will not do. It is important for insurance consumers to know both what the company will do and what it will not do. All too often people are unaware of what is and is not covered by their auto insurance policies until after an accident occurs. Knowing a few simple things about automobile insurance can mean a great deal to you and your family.

What Types of Coverage Are Available?

Bodily Injury 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.

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.

Umbrella Policy — This provides additional insurance protection above the limits of your first level of insurance coverage.

KNOW YOUR RIGHTS: Feel free to call any litigation attorney at our firm to discuss insurance issues and your rights when involved in a motor vehicle accident. Knowledge is power.

Underinsured Motorist Coverage — This is an optional coverage (but one which insurance companies must offer to sell you) which covers you or others riding in your car for any bodily injury caused by a person who has insurance but not enough to cover all your medical bills and other expenses. Like uninsured motorist coverage, it is personal and covers you as a pedestrian.

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.

Why Buy Auto Insurance? You buy auto insurance to protect yourself, your family and your assets. Auto insurance policies include several types of protection. The liability portion of auto insurance pays for injuries or damage you cause, including to passengers in your car. Other coverages pay for damage to your car and to protect you in case you have an accident with someone who has too little or no insurance. Nearly all policies also require the company to defend you if a claim is made against you.

What's the "Right" Insurance? The minimum amount of coverage may not be sufficient to cover damages caused in an accident or to protect your assets. The "right" amount of insurance depends on the level of your personal assets which require protection. In most cases, you should buy the highest level of coverage you can comfortably afford. Compare premiums for different levels of coverage. Rates for higher levels are not that much greater than lower levels of coverage (the premium for \$100,000 of coverage is not double the premium for \$50,000). We recommend all persons carry liability insurance coverage at least in the amount of **\$100,000 per person/\$300,000 per accident.**