

## Who's at Fault? A Look at Liability Issues

Whenever an auto accident occurs, the issue of responsibility takes center stage. In most cases, the insurance company of the "at-fault" driver must cover the damages, so a careful investigation is conducted.

Police at the scene often write a report that may be used to determine who was responsible for the crash. Insurers make their decision based on an investigation that considers the police report and other accounts of the accident by drivers and witnesses. Even if you don't think you were at fault, you should contact your own insurance company, so that it may begin to work on your behalf.

In some states, comparative negligence laws make it possible for more than one driver to share responsibility. If a red car is driving too fast and rear-ends a blue car, but the blue car did not have functioning taillights, then the red car may be found 70 percent responsible and the blue car 30 percent. A driver may only collect damages for the percentage of the accident that was not their fault, so the driver of the blue car could recover only 70 percent of the damages.

If another driver damages your car or causes you injury, his or her insurance company should pay for your repairs and medical bills. However, the company's adjuster may require that you obtain authorization before making repairs. The insurer might even recommend that you take your car to a certain repair shop.

If the driver who caused the accident has no valid insurance, then your uninsured motorist coverage would likely take effect. You would make a claim with your own insurer, and the company would verify the facts surrounding the accident, and that the driver had no policy in effect. Of course, if you are found partially to blame, your insurer will only cover the percentage of damages for which the uninsured motorist was responsible.

There are also some states with various forms of no-fault insurance. Generally, no-fault laws require each person involved in an auto accident to pay their own medical expenses and lost wages - and stricter versions disallow certain pain-and-suffering lawsuits. Therefore, many no-fault states require drivers to have Personal Injury Protection (PIP), which pays extensive medical expenses, lost wages, and a small death benefit for the driver and all passengers. PIP usually comes with a 20 percent deductible.

Clearly, the laws concerning insurance coverage can vary greatly from state to state. It might be comforting to know that if you have the minimum auto liability coverage for your home state, but are involved in an accident in another state, your policy must automatically adjust to meet that state's minimum legal requirements.

## **Your Car, Other Drivers**

If you lend your car to another driver who is not insured, and that person causes an accident that results in damages to others, then it's likely you will inherit the responsibility. If the resulting damages are over and above your policy limits, then you could end up paying out of pocket for medical and property-damage expenses.

On the other hand, if an insured friend borrows your car and wrecks it, then his or her insurance will probably pay for the damage to your car.

If your car is stolen and then crashed, you should not be held responsible for any damage that the thief caused. But you will probably have to count on your own insurance company to pay for repairs to your own car.

In the wake of any accident the determination of fault can be a hot issue, and the financial responsibility may be handled differently from state to state. It is important to understand the specific laws that affect liability in your state, and how they will apply if and when you must file a claim.