



Fault Based Auto Insurance – What Consumers Need to Know

The Legislature this year will have a choice to make for consumers in terms of medical payments coverage for auto insurance. In October, they can give Florida drivers a fault based system where drivers are held responsible for the damage they cause or a no-fault system where the injured person and their insurance covers the cost of medical injuries, regardless of who is at fault. 38 other states, including California and Texas, do not have or have gotten rid of unfair and costly no-fault insurance systems. A system that holds drivers who cause accidents responsible for any injuries is fairer and less expensive for Florida drivers than a broken no-fault system.

Under a fault system, drivers will be able to purchase coverage that is right for their families instead of being forced to pay for mandated coverage they may not want or need. This will save Florida families an average of \$250 every year.

When your policy comes up for renewal, you should review your options with your agent to obtain coverage that is right for you. Options to consider include:

Medical Payments Coverage (MPC)

If you don't have health insurance or you have health insurance with a high deductible, you may want to purchase MPC. MPC will pay for you and your passengers' medical bills (up to your MPC limits) no matter who causes the accident. Since this is an optional coverage which pays strictly for medical costs, you could pay much less for MPC coverage than you were paying for PIP. MPC provides the convenience of having your own auto insurance company pay medical bills while you work out a final settlement with an at-fault driver.

Uninsured Motorist Coverage (UM)

In a fault-based system, the person responsible for the accident ultimately pays for the costs of the injured parties. When the responsible party is determined, that individual is responsible for the other party's injuries. Usually, the at-fault driver's insurer pays for the cost of medical care that was advanced. If the responsible party doesn't carry auto insurance at all, the victim is entitled to recover under their own auto insurance policy if they carry uninsured motorist coverage. UM ensures that if someone without insurance is at-fault, hits and



injures you, your medical bills will be covered under your own policy up to selected coverage limits.