

claim for any injury caused by another. If you select the "limitation on lawsuit" option (otherwise known as the "verbal threshold"), you will not be able to submit a claim unless you sustain one of six types of injuries including a displaced fracture or a permanent loss of body function. SAFE CHOICE: CHOOSE "THE NO LIMITATION ON LAWSUIT OPTION."

Q. Is there any insurance that provides coverage if my car is damaged in an accident?

A. Yes. You can purchase collision coverage with a deductible. The deductible is the amount of money that you must pay before your insurance company pays the balance of the claim. Most people have a deductible of \$750; however, you may choose a higher or lower deductible.

Q. What should I do if I am involved in an accident?

A. Every accident is important. You should follow these guidelines regardless of how serious the accident may appear to be:

1. Call the police. It is against the law to leave the scene of an accident if someone is injured or there is more than \$500 of property damage.
2. Request an ambulance if anyone is injured and needs medical care.
3. If possible, take a photograph of all of the vehicles involved in the accident showing their location and property damage.
4. Obtain the name, address, phone number, driver's license number, license plate number, name of automobile insurance company and policy number from the driver of each vehicle involved in the accident. If you were a driver, you should provide this same information to each of the other drivers.

5. After the police arrive, give the police officer your driver's license, vehicle registration and insurance card.

6. If you are injured, go to the hospital or consult with a doctor as soon as possible.

7. When you get home, notify your insurance company, agent or broker that you were involved in an accident.

8. Consult with an attorney as soon as possible to determine your rights and responsibilities after an automobile accident.

Q. What should I do if a claim is made against me by a person who was injured in the accident?

A. You should send the letter to your insurance company, agent or broke. They will assign an insurance adjuster to handle the claim and, if necessary, a lawyer to represent you.

Q. What should I do if I am injured in the accident and I want to make a claim against the other driver for monetary compensation for my injuries?

A. In order to make a claim, you should retain a lawyer to represent you. You should make sure that your lawyer has experience in handling personal injury claims. SAFE CHOICE: THE NEW JERSEY ASSOCIATION FOR JUSTICE (NJAJ) IS AN ORGANIZATION OF ATTORNEYS WHO REPRESENT PEOPLE WHO ARE INJURED IN AUTOMOBILE ACCIDENTS. YOU SHOULD CONSULT WITH AN ATTORNEY WHO IS A MEMBER OF NJAJ.

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Presents

A STUDENT'S GUIDE



TO AUTOMOBILE INSURANCE

- ✓ *Do I Need to be Insured?*
- ✓ *How Do I Get Insurance?*
- ✓ *How Much Insurance Should I Have?*

20 questions that will help you and your parents make safe choices when purchasing your automobile insurance policy.

Q. Does New Jersey law require Compulsory Automobile Insurance?

A. Yes. The owner of every automobile registered in the State of New Jersey is required to purchase an insurance policy. If you do not purchase insurance, you will be subject to civil and criminal penalties including loss of license and registration, fines, community service and imprisonment. SAFE CHOICE: ALWAYS BUY INSURANCE FOR YOUR CAR.

Q. What types of automobile insurance policies are available?

A. There are two types of policies that apply to most policyholders: a Standard policy and a Basic policy. A Standard policy provides liability, uninsured motorist and personal injury protection coverage. A Basic policy provides no bodily injury liability coverage, no uninsured motorist coverage and only limited personal injury protection coverage. SAFE CHOICE: ALWAYS CHOOSE A STANDARD POLICY. NEVER BUY A BASIC POLICY.

Q. How do I select the type and amount of coverage?

A. When you purchase a new policy or renew an old policy, your insurance company will provide you with a Buyers' Guide that contains a description of all mandatory and optional coverages and a Coverage Selection Form that permits you to select the type and amount of coverage that you want. You should discuss your choices with your parents, your insurance agent or your attorney.

Q. What is liability coverage?

A. If you cause an accident while driving a car, any other person in the accident may make a claim against you for monetary compensation for their personal injuries or for the property damage to their car. You must protect yourself from having to pay a claim by purchasing liability insurance. When you do, your insurance company will pay any monetary damages that you are required to pay up to the amount of liability insurance that you purchased (your policy limit).

Q. What is uninsured motorist (UM) coverage?

A. A small number of people violate the law by failing to purchase an insurance policy or by leaving the scene of an accident (hit-and-run). Uninsured Motorist Coverage permits you to purchase insurance from your insurance company that will allow you to recover monetary damages for your injuries, even if the other driver is uninsured or unidentified.

Q. What is underinsured motorist (UIM) coverage?

A. The law requires the owner of an automobile to purchase a Standard policy with minimum bodily injury liability limits of \$25,000 per person/\$50,000 per accident or a Basic policy with no bodily injury liability limits. Underinsured motorist coverage permits you to purchase higher limits of coverage from your own insurance company that will allow you to recover additional monetary damages for your injuries up to the policy limits that you choose.

Q. What is personal injury protection (PIP) coverage?

A. If you are injured in an automobile accident while a driver, passenger or pedestrian, your own insurance company will pay your medical bills, regardless of who caused the accident.

Q. How do I get insurance coverage if I do not own a car?

A. Your parents must notify their insurance company, agent or broker as soon as you are legally permitted to drive. Their insurance company will add you to their policy as a "driver." Thereafter, you will have the same amount of insurance coverage that they have when you are driving the family car. SAFE CHOICE: NOTIFY YOUR PARENTS' INSURANCE COMPANY, AGENT OR BROKER AS SOON AS YOU OBTAIN YOUR LEARNER'S PERMIT OR DRIVER'S LICENSE.

Q. How do I get insurance coverage if I buy my own car?

A. If you buy your own car, you must purchase your own insurance policy with liability, uninsured motorist and personal injury protection coverage.

Q. Are the minimum limits of liability coverage adequate to protect my assets?

A. No. A Standard automobile insurance policy provides minimum liability limits of \$25,000 per person and \$50,000 per accident. The minimum amount is not adequate to protect your assets if a claim is made against you. (Even if you are currently a student with no income and no assets, a judgment against you is valid for 20 years so that even your future income and assets are subject to collection).

Q. How much liability coverage do you recommend?

A. In order to provide more protection for their income and assets, most people purchase liability coverage of \$100,000. SAFE CHOICE: PURCHASE LIABILITY COVERAGE OF \$500,000.

Q. Are the minimum limits of uninsured and underinsured motorist coverage adequate to protect me if I am injured?

A. No. A Standard policy provides minimum uninsured and underinsured motorist coverage of \$25,000 per person and \$50,000 per accident. A Basic policy provides no uninsured motorist coverage. The minimum limits are not adequate to protect you if you are injured in an accident with an uninsured or underinsured driver.

Q. How much uninsured and underinsured motorist coverage do you recommend?

A. In order to provide more protection for themselves if they are injured, most people purchase uninsured and underinsured motorist

coverage of \$100,000. SAFE CHOICE: PURCHASE UNINSURED AND UNDERINSURED MOTORIST COVERAGE OF \$500,000.

Q. How much personal injury protection (PIP) coverage do you recommend?

A. A Standard policy provides coverage for medical expenses up to \$250,000 with a \$250 deductible. You may purchase less coverage (as low as \$15,000) with a higher deductible (as high as \$2,500). Many people sustain personal injuries for which their medical treatment exceeds \$15,000 such as a permanent neck or back injury, a fracture or any injury that requires surgery. SAFE CHOICE: CHOOSE PERSONAL INJURY PROTECTION COVERAGE OF \$250,000 WITH A \$250 DEDUCTIBLE. DO NOT PURCHASE LOWER COVERAGE OR A HIGHER DEDUCTIBLE.

Q. Can I use my health insurance to pay my medical bills arising from an automobile accident instead of the personal injury protection coverage from my automobile insurance policy?

A. Yes. You have the option to make your health insurance primary. However, your health insurance plan may not cover automobile accidents, may not cover all of your family members and may not pay all of your bills. SAFE CHOICE: CHOOSE PERSONAL INJURY PROTECTION (PIP) PRIMARY. DO NOT CHOOSE HEALTH CARE PRIMARY.

Q. Do I have the right to make a claim if I am injured in an automobile accident?

A. If you purchase a Standard policy, you will be required to elect an option that will determine if you can make a claim against the drivers who caused the accident. If you select the "no limitation on lawsuit" option (otherwise known as "no threshold"), you will be able to make a