

Questions About Insurance Coverage in Tennessee¹

By B. Keith Williams

One of the first things that probably comes to mind when thinking about an accident is insurance. Does the other driver have insurance? Will it be enough? Will my own insurance cover my damages? Can I use my health insurance to pay for the medical care I receive for my injuries? Below is a discussion of a few of the more common questions people have about insurance in Tennessee.

What About Uninsured or Underinsured Motorist Coverage?

Many times an accident will be caused by a driver who either has no insurance whatsoever, or has only limited coverage that is insufficient to cover the injured party's damages. If this happens to you, you may have a claim against *your own* liability insurance company. The coverage under your policy for a driver who has no insurance is called "Uninsured Motorist" (UM) coverage. The coverage under your policy for a driver who does not have high enough limits to cover your damage is called "Underinsured Motorist" (UIM) coverage.

In Tennessee, UM and UIM laws are governed by the legislature. Given the fact that these huge insurance companies have full time lobbyists on Capitol Hill, you should not be surprised that UM and UIM laws lean towards saving the insurance companies from payments of legitimate claims. Once again, the insurance business is all about the profits—not about being there to help you in your time of need.

Many people make the incorrect assumption that UM or UIM cases are easier to settle because it is your own insurance company. *This is not true!*

Your own insurance company—the one you have paid premiums to for years—will hire an insurance defense lawyer to defend the deadbeat driver who had no, or insufficient, insurance.

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Your own insurance company—the one you have paid premiums to for years—will hire an insurance defense lawyer to defend the deadbeat driver who had no, or insufficient, insurance. That’s right, your insurance company will try to prove that your injuries are not as bad as you are making them out to be, or that they were caused by some other accident or pre-existing condition. They will also try to prove that the accident was all or at least half *your* fault.

Again, the insurance company does not care about you or your family’s well being. It does not matter to the big insurance company that you have been a loyal customer for years or even decades. They do not care that you have never before made a claim against your policy. They are in business to make as large of a profit as possible, plain and simple. That is why they will fight your claim and hire an attorney to defend the person who caused the accident!

Am I Safe If I Have “Full Coverage” Insurance?

An important point that many people do not understand when they purchase insurance is what the term “full coverage” means. Many people believe that this means you will be “fully covered” in the event you are in an accident so that, no matter how badly you or the other person might be injured, your insurance will cover the accident.

Unfortunately, that is *not* what “full coverage” means. Full coverage only means that your car is covered for different types of accidents and damages. For example, whereas a “liability” policy will only apply to cover a certain amount of the other party’s damages where you are liable, “full coverage” will also include other types of insurance coverage, such as theft of your vehicle, medical payments should you or someone riding with you be injured, etc.

“Full Coverage” does not mean that everything will be taken care of, no matter what it costs, however. That is where your policy limits come into play. For example, you might have a “full coverage” policy with limits of \$5,000 for medical costs. While you would be “fully covered” in the sense that your policy includes coverage for medical costs, that coverage would be limited to \$5,000 and if your medical costs in the accident exceed that amount, you will not be covered for the excess amounts.

Always keep this in mind when purchasing insurance: you need to know not only *what the policy will cover* (including what coverage is included in the company’s “full coverage” if you select full coverage), but also *how much it will cover*.

What Is Subrogation and Reimbursement?

If your medical bills were paid by your health insurance, TennCare, Medicare or by the medical payments coverage under *your own* auto liability policy, those insurance companies may

have the right to receive the amounts of those payments from any settlement or judgment you receive in the case. These rights are called “subrogation” and “reimbursement.”

However there are defenses and exceptions to each of these rights that might apply to prevent them from recovering those amounts. For example, if your health insurance carrier is not an ERISA carrier (one that is self funded by your employer), the health insurance company does not have the right to recover the amount they have paid for your medical bills unless you are “made whole” by the settlement or verdict.

As you can see, there are many insurance considerations that factor into a personal injury case. This interplay with insurance, including the UM, UIM and subrogation laws in Tennessee is complicated and

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a very important component of personal injury lawsuits and settlement negotiations in Tennessee. Most attorneys who do not specialize in civil trials and focus on personal injury law are not versed in these areas and are not experienced in dealing with the many issues and potential traps involved in this specific area of the law.

It is therefore important to find an experienced personal injury lawyer who is familiar with these aspects of personal injury law. An experienced personal injury attorney can maximize the dollars that you actually receive by recognizing and representing your interests against your own insurance companies.