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# **3 Things To Do BEFORE Talking to an Insurance Adjuster**

When you have been injured in an accident, your life changes immediately. Instead of going to work, school or spending time with your family, now you are forced to deal with the police, doctors and insurance companies. As time progresses, you are going to face many questions that you may not have the answers for, such as:

"Who will pay my medical bills?"

"What happens if I cannot work?"

"How will I get my car fixed?"

"What will my claim against the other driver be worth?"

"Should I talk to the other driver's insurance company?"

"Should I hire a lawyer?"

It has become clear that thousands of people in your exact situation would be better able to protect their interests if they had quick access to information on the law and their rights in the insurance claims process. I

have written this special report to help you and your family answer the questions you will have after your accident and before you talk to an insurance adjuster.

It is very important that you be fully aware of your rights and obligations when you have been injured due to the negligence of another person. Keep in mind that, as you are reading this, the other driver's insurance company already has a team of adjusters, claims representatives and attorneys working to protect their interests. It is their job to pay you as little as possible for your claim. With the information presented in this special report, you will be better able to protect your rights and decide whether you should hire an attorney to handle your claim.

**The first thing that you must do BEFORE talking to an insurance adjuster** is to understand that insurance companies are not public service companies. They are in business to make a profit. Their true business is to collect premiums, not to pay claims. They make a profit by taking in more money in the form of insurance premiums than they have to pay out in

claims. It is the job of the insurance adjuster who has been assigned to your case to get you to settle for the lowest possible amount. Insurance adjusters try to get people to settle for pennies on the dollar by restricting the information that accident victims have concerning their rights and remedies. As in any transaction, a more informed consumer is more likely to come out ahead.

Some insurance companies will offer to settle your claim in the early stages for a nominal sum of cash plus an agreement to provide a few thousand dollars for any medical treatment that you may incur over the next three to six months. While this may seem like a good deal, agreeing to such an arrangement is perhaps the worst step that you could ever take. If your injuries turn out to be more severe or require more treatment than initially thought, which is very often the case, you will not be able to get any more money out of the insurance company. Your case is closed and the insurance company wins the moment you agree to the deal. Be wary of the adjuster, he or she is NOT on your side.

**The second thing that you must do BEFORE talking to an insurance adjuster** is understand the types of insurance that may apply in your case. Your case may involve several different insurance companies with each providing different types of coverage. Typically, an auto accident may involve the insurance policies discussed below.

**Your Personal Auto Policies:** Your insurance company may extend benefits to you after an accident, even when the accident is not your fault, or even when you were a passenger in someone else's vehicle. It is important to look at your policy before calling your insurance company to file a claim. You may be entitled to the following types of coverage:

**Med Pay:** If you elected to obtain Medical Payments coverage under your auto policy, your insurance company will pay up to the limits of the policy for your necessary accident-related medical expenses.

Check your policy to determine what these limits are. The limits are multiplied by the number of vehicles on your policy. This coverage may apply even when you are hurt while a passenger in someone

else's vehicle.

**Collision:** Your auto policy may also repair and/or replace your vehicle even when another driver hit you. Usually you will only want to do this when it is not clear who is at fault for the accident. It is then the insurance company's responsibility to take the insurance company for the at-fault driver to an arbitration hearing to determine who will ultimately pay for the accident-related vehicle damages. The reason you usually do not want to have your auto policy repair and/or replace your vehicle is that you will be responsible for the amount of your deductible.

**Rental Reimbursement:** Your insurance policy may entitle you to reimbursement for your rental car expense while your own vehicle is being repaired.

**UM/UIM:** You will have Uninsured/Underinsured Motorists coverage. The uninsured motorist coverage (UM) will pay for your damages in the event that the driver that caused the accident did not have

insurance. Your uninsured motorist coverage (UM) will also pay for your damages in the event that the driver that caused the accident was a hit and run driver who cannot be found.

The underinsured coverage (UIM) will pay for your damages in the event that the other driver had liability coverage limits lower than that of your own policy and assuming that your damages are greater than the amount of liability coverage held by the at-fault driver.

As an example, suppose your injuries entitle you to recover \$100,000, that the at-fault driver had only a \$25,000 policy, and that you had \$100,000 policy. In this example, the at-fault driver's insurance company will pay \$25,000 and your insurance company will pay you \$75,000 for your total of \$100,000. Your insurance company can then try to get its \$75,000 back from the at-fault driver. It is better for you that your insurance company is trying to get its \$75,000 back from the at-fault driver than for you to try to collect

\$75,000 from the at-fault driver. This UM/UIM coverage will even apply when you are a passenger in someone else's vehicle.

**The Auto Policy covering the vehicle in which you were a passenger:** As a passenger in a vehicle covered by an auto insurance policy you are also entitled to benefits under the policy of auto insurance covering that vehicle.

**Liability Coverage:** If the driver of the vehicle you were in as a passenger is at fault for the accident, the liability coverage attached to that policy would be responsible for paying your damages.

**Med Pay & UM/UIM:** As a passenger you are also entitled to the same Med Pay and UM/UIM benefits as the policyholder.

**The At-Fault Driver's Auto Liability Policy:** The policy of insurance covering either the at-fault driver or the at-fault vehicle will be responsible for paying for your damages sustained as a result of the accident. These generally fall into two categories:

**Property Damage:** Liability insurance is meant to cover the cost of



repairing or replacing your damaged vehicle. Also available will be damages for the loss of use of your vehicle while it is being repaired; or until the settlement is reached on the property damage if the vehicle is declared a total loss. Settlement of this category of damages is usually reached within days or weeks of the accident.

**Bodily Injury:** This category of damages generally includes payment for your medical expenses, physical injuries, pain and suffering, lost wages, loss of earning capacity and other economic losses. Settlement negotiations for these types of damages should not take place until your doctors have completed your course of medical treatment. In many cases, insurance adjusters for the other side will either delay settlement or make "low-ball" offers requiring the commencement of litigation to resolve the case.

**Your Health Insurance Policy:** In the event that you had a health insurance plan in effect at the time of the accident, this coverage will pay for your medical expenses as you continue your medical

treatment. Caution: It is very important to note that some health policies have a "subrogation clause" which requires you to pay back the insurance company for the amounts that they have paid toward your medical expenses once you collect any money from the liability insurance carrier. Failure to comply with these policy requirements can result in your health carrier canceling your insurance or filing a lawsuit against you. Consequently, it is strongly recommended that you consult with an attorney to determine how to proceed in this situation. Additionally, an experienced attorney may be able to convince the health insurance carrier to waive or reduce the amounts owed.

**Your Disability Policy:** In the event that you had a disability insurance plan in effect at the time of the accident, and if your injuries prevent you from returning to work after the accident, you may be able to make a claim for either permanent or temporary disability under your disability policy.

**Worker's Compensation Plans:** If you were involved in an accident while you were on the job, your employer's worker's compensation plan will extend benefits for your medical bills and loss of earnings. It is very important to speak with an attorney as soon as possible in these situations, as the coordination of your rights between your worker's compensation case and your personal injury case is essential.

**Caution:** Coordination of benefits among all the potential insurance policies is an area requiring specialized legal knowledge. It is very easy to overlook possible avenues of recovery if you are not intimately familiar with this area of law.

**The third thing that you must do BEFORE talking to an insurance adjuster** is to understand what compensation you are entitled to. First, you should understand that when you are in an automobile collision you may have two claims. The first claim is for damage to your vehicle and any other property which is damaged.

In most cases, your property damage is settled relatively early in the case. It should include reimbursement for the loss of use of your vehicle which is usually measured by the expense of renting a car. Tip: If the insurance adjuster is slow in providing you a rental car, you should tell the adjuster that you are going to rent a car and that you will expect the insurance company to reimburse you for that rental. This will usually result in the adjuster immediately providing you a rental car. You will be entitled to the use of a rental car for a reasonable amount of time. If your car is being repaired, a reasonable amount of time is usually the time it takes for your car to be repaired and returned to you. If your car is totaled, a reasonable amount of time is usually the time it takes for the insurance company to deliver to you a check for the value of your car.

The second claim is for damage to you personally. This claim should definitely not be settled until you are fully recovered from your injuries or until there is a solid medical prognosis that definitively lays out what to expect regarding your recovery. The reason it should not be settled until

you have recovered or until your medical prognosis is known is that once a case is settled it is settled for evermore and you cannot come back and say that you need more money because you did not recover as fast as you thought you would or you did not recover completely.

WARNING: You should not settle your case until you have fully recovered, but you must remember that there is a statute of limitations on your case. This means that you must settle your case or file suit within the statute of limitations on your case. For an automobile accident case in Virginia, the statute of limitations for an adult is generally two years.

CAUTION: There are exceptions to the general rule of two years for the statute of limitations.

Here are the types of damages you can claim:

- Any physical injuries, including permanent impairment, you sustained in the accident.
- Any physical pain you suffered in the past and any physical pain you may reasonably be expected to suffer in the future.

- Any mental anguish, worry or concern you suffered in the past and that you may be reasonably expected to suffer in the future.
- Any disfigurement or deformity and any associated humiliation or embarrassment.
- Any inconvenience caused in the past.
- Any inconvenience that probably will be caused in the future.
- Any medical expenses for the treatment of your injuries. If worker's compensation or medicare paid your medical bills, they will have a lien on your settlement. You will be required to repay part of what they paid for you. This gets complicated and you will probably need an attorney to help you with this.

If your health insurance company has paid your accident-related medical expenses, you may be required to repay your health insurance company for those medical expenses it. If you have any questions as to what your obligations and rights are in this situation, you should consult with an experienced attorney and

provide that attorney with copies of all of your relevant insurance policies. Some insurance plans are entitled to be reimbursed. Other insurance plans are not. This is controlled by federal law.

- Any medical expenses that may be reasonably expected to occur in the future.
- Any income you lost because you could not work after the accident. Consequently, it is extremely important that you document all of the time you missed from work either due to your injuries or having to attend appointments. If you used your sick leave or vacation time because you could not work after the accident, you are entitled to be reimbursed for the value of your sick leave or vacation time because it was part of your wage package.
- Any loss of future earnings due to your permanent, accident-related impairment. In the event that your injuries were so substantial that you may not be able to work in the same job again, you should immediately contact an attorney to handle your claim.

- Any out-of-pocket expenses. You are entitled to reimbursement for all of the out-of-pocket expenses you incurred as a result of your accident (prescription medications, medical devices, travel etc...).  
  
Be sure to keep all receipts for such expenses.

TIP: It is critical to provide documentation supporting each claimed type of loss, or your claim will not receive its full value from either an insurance adjuster or a jury, should your case go to trial.

Hopefully this special report will have made you more aware of the importance of understanding the role of the adjuster, the role of an experienced attorney and your role in making the best decisions for the best possible outcome of your case.