

# **AUTOMOBILE INSURANCE IN FLORIDA – DO I HAVE FULL COVERAGE**

**Written by Mario E. Lopez, Esq.**

## **INTRODUCTION**

Florida drivers are faced with the question of how much automobile insurance we should carry. The answer is complicated because we all want enough coverage to feel protected and at the same time not purchase more insurance than we need. This is where we will need to assess what are our specific needs to be properly covered by the automobile insurance we need to purchase. The coverages vary from basic No Fault Personal Injury Protection (PIP) and Property coverage to Bodily Injury (BI) coverage. BI coverages can range from \$10,000/\$20,000, \$25,000/\$50,000, \$100,000/\$300,000, etc. There are other coverages such as uninsured/underinsured coverage or medical payments coverage we may want to consider in purchasing. The different options may seem daunting to decide on what coverages to purchase for peace of mind.

We need to ask ourselves some pertinent questions such as: a) do we have assets to protect; b) what type of insurance do we need to purchase, i.e., basic coverage or coverage that includes bodily injury coverage; c) do we want to be protected in the event of a significant accident where at fault; d) how careful of a driver are we; e) do we want peace of mind in the event we are responsible for an accident; f) what is my agent's assessment of our individual situation. These are a few of the questions we will need to ponder when deciding on purchasing your automobile insurance coverage.

If we purchase bodily injury coverage, our automobile insurance carrier will provide a defense against any claims and will pay on our behalf, if responsible, up to the policy limits we decide to purchase. The automobile insurance carrier will hire an attorney to defend us even if the claim exceeds that policy limits purchased. However, we will be responsible from our assets any amounts that exceed our policy limits. This is where we need to assess these questions regarding how much insurance we need to purchase and decide based on our individual situation and what assets we are trying to protect. The following is an explanation of the different coverages including the minimum required by Florida Law for drivers to carry.

### **I. Florida No Fault Requirement**

In Florida, drivers are required to obtain \$10,000 in property damage liability insurance and \$10,000 in personal injury protection (PIP). This is known as No Fault Insurance. Unlike most other states, Florida does not require every driver to carry bodily injury liability insurance. Under Florida No Fault, drivers receive Comprehensive coverage for property resulting not from an automobile accident if the policyholder's vehicle is damaged by something such as a natural disaster, theft or vandalism. Florida does not require any bodily injury liability insurance. Some states do require their residents to have bodily injury liability coverage to drive, but that is not required in Florida.

Florida No Fault Insurance means that drivers file injury claims with their own automobile insurance carrier for medical bills or lost wages resulting from an automobile accident irrespective of fault. The driver who is at-fault can be sued if they cause an accident that results

in a) significant and permanent loss of an important bodily function, b) permanent injury, c) significant scarring or disfigurement or d) death. Bodily injury insurance coverage protects an insured in the event they cause an accident resulting in any the aforementioned injuries. This means the bodily insurance carrier will retain an attorney to defend a lawsuit filed by an injured driver and will handle any claims where the insured is deemed at fault. Please do note that to fulfill the minimum Florida car insurance requirements to avoid facing consequences for driving without insurance drivers only need to purchase No Fault Insurance.

There are many types of automobile insurance Florida drivers may voluntarily purchase – in addition to the required minimum and they are as follows:

## **II. Bodily Injury Liability Insurance**

Bodily injury (BI) liability insurance pays money damages if an insured caused an accident and injured a person in another vehicle. BI coverage protects the at-fault driver's assets. If the insured is partially or totally responsible for a car accident in which someone sustains serious injury, the injured person(s) can sue you for damages. Without BI coverage, personal assets may be at risk in the event a lawsuit is filed by an injured driver resulting in a judgment. By owning BI liability coverage, the insured's policy would serve to reimburse the injured party up to the BI policy limits. BI coverage also pays towards the cost of the insured's defense in these cases. The amount of BI coverage may vary. BI coverage can be as low as \$10,000 per person/\$20,000 per accident. Generally, higher BI coverage is recommended to protect personal assets. Additional BI coverage range from \$15,000/\$30,000 to \$250,000/\$500,000 or more. If you are leasing a vehicle in Florida, the leasing company will require minimum of \$100,000/\$300,000.00. Drivers may also purchase Uninsured/Underinsured Motorist Coverage to protect themselves. However, drivers must have bodily injury coverage in order to be eligible to purchase Uninsured/Underinsured Motorist (UM) coverage.

## **III. Uninsured Motorist / Underinsured Motorist (UM) Insurance**

UM insurance coverage pays for damages if the insured in an accident and the negligent driver either has no bodily injury liability insurance (Uninsured Motorist) or does not have enough BI coverage to reimburse for the losses (Underinsured Motorist). If it is determined that the at-fault driver has little or no liability insurance to pursue, your UM coverage applies. UM pays for medical bills, lost wages, and pain and suffering and the UM carrier acts as the Uninsured/Underinsured driver's BI coverage. Florida law requires insurance companies who sell bodily injury (BI) liability policies to offer an equal amount of uninsured motorist (UM) coverage on each policy and obtain a signed rejection of UM coverage. Drivers can also specifically choose to buy lesser coverage but are entitled to UM up to the limit of the bodily injury liability coverage elected in the policy.

## **IV. Stacked UM/ Non-stacked UM**

If an insured owns more than one vehicle, the insured can purchase stacked UM insurance and gets to add one UM policy on top of another, and the policy limits are added together. If an

insured has two cars and a truck, with \$100,000 of UM coverage on each vehicle, the stacked coverage for the insured and their family amounts to \$300,000. Stacked UM coverage follows the insured, so whether the insured or a family member are injured as a pedestrian, a passenger in another car, or driving someone else's car, UM policy covers. Unless the insured rejected the UM coverage in writing, stacking of UM coverage is presumed. If the insured elects to have non-stacked UM, the insured may only recover damages if in an accident while in the insured automobile.

#### **V. Extended PIP**

In the case of serious injuries, the medical bills and lost wages may not be covered by basis PIP coverage required limits of \$10,000 minus any deductibles. Drivers may consider increasing PIP coverage limits to \$50,000 or \$100,000 to cover medical bills and lost wages that exceed \$10,000. This will depend on our individual situation in regards to medical bills and lost wages that may be anticipated to be covered in the event of an automobile accident.

#### **VI. Medical Payment Insurance**

Florida drivers may also elect to buy Medical Payments Coverage (Med Pay) to supplement PIP coverage. This can be especially beneficial for those who do not have health insurance. PIP covers 80% of your medical bills, and Med Pay can cover the remaining 20%. Most insurance policies offer Med Pay in the amount of \$5000. Med Pay does not cover lost wages.

#### **CONCLUSION**

Drivers should consider purchasing car insurance to better protect themselves and their assets. Experts recommend a limit of at least \$100,000/\$300,000 of BI coverage, if you have significant assets that can be subject to a lawsuit and that may not be enough. Drivers need to be clear on their personal needs and obtain the automobile insurance that best suits their individual situation. An insurance agent can assist in providing the different options for to consider but the ultimate decision requires our own assessment of our individual personal situation.