

A SIMPLE GUIDE TO UNDERSTANDING
AUTOMOBILE INSURANCE IN TEXAS

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WHO WROTE THIS BOOK?

My name is Kerry H. Collins. I am a proud Trial Lawyer. I am a Board Certified Personal Injury Trial Attorney and have been licensed to practice law since 1984 and have been Board Certified since 1991. I have had tremendous success in recovering money damages for persons injured by the negligence of others.

"Make no mistake, the constant changes to our written laws and the continual rulings of our State Courts make it virtually impossible for an individual to navigate our legal system with any hope of being compensated for the injuries and suffering they sustain, unless they hire a competent, experienced Attorney." Now, more than ever before, injured Texans should immediately seek the advice and assistance of an experienced, Board Certified Personal Injury Law Specialist if their rights are to be protected.

Far beyond merely possessing a license to practice law generally, a Board Certified lawyer has years of experience in a specific field of practice and has passed an additional rigorous, written examination given by the Board of Legal Specialization. Each year, only a small percentage of attorneys in Texas qualify to take the Board Certification exam in Personal Injury Trial Law...still fewer pass.

I am a Board Certified Personal Injury Law Specialist. My firm handles injury claims caused by:

- * Medical Malpractice
- * Nursing Home Neglect and Abuse
- * Automobile, Motorcycle and all Vehicular Accidents
- * Credit Card Debt
- * Traffic Tickets
- * Construction Accidents
- * Slip and Fall
- * Dangerous Products and Toys
- * Swimming and Diving Accidents
- * Shooting and Inadequate Security Claims
- * Animal Bites or Attacks
- * Bicycle Accidents

- * Oil/ Gas Field Accidents
- * All Types of Serious Personal Injury and Death Claims

There is no charge for answering your questions, and should you decide to retain our services, you do not have to pay any money up front. You will only owe us a fee if a recovery is made. This means that you will pay no legal fees or expenses unless we negotiate a settlement or win a judgement in court on your behalf.

Kerry H. Collins & Associates, P.C. is located at 1301 Ballinger Street in Fort Worth, Texas. If you would like a free brochure entitled "What Is A Board Certified Personal Injury Trial Law Attorney?" or any other of our free books or publications, please call (817) 335-9700 or e-mail my office at kcpc@txis.net or info@kerrycollinslaw.com or you can contact us via our website at www.kerrycollinslaw.com.

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WHAT THIS BOOK IS ABOUT

Since you requested this information I want to congratulate you on wanting to learn what the insurance companies don't want you to know or make so confusing that you just "take their word" that you are "fully covered" or "fully protected". I will explain what car insurance is in Texas and what types of insurance I recommend you purchase immediately if you do not already have it. The information I give you here will help you understand the basics of the types of insurance offered in Texas, the general requirements in an automobile insurance policy and what you should have to protect you and your family.

I have listed this information so that my clients, prospective clients and just anyone who wants to know can have good, solid information that will help protect them against irresponsible drivers and unscrupulous insurance companies and adjusters. After handling thousands of car wreck clients and asking them what they knew about their own car insurance policies I discovered that the insurance agents and their companies have done a very poor job of educating its own consumers or in many cases selling them insurance that does not "fully protect" them as they thought. This is not a mistaken oversight on the part of the insurance industry. There appears to be a deliberate attempt to keep consumers "in the dark" about the most important car insurance they could buy.

I am an attorney. I don't sell insurance so I have no personal reason or bias to tell you what type of insurance you should or should not buy. I challenge any car insurance agent who disagrees with me to sit down and explain why anything I am stating in this book is wrong or is not true. Heck. I'll even agree to pay for their time to sit down with me and explain where I am wrong or anything I say is not true as long as they agree that we can write about their argument and mine for the public. Deal?

My name is Kerry H. Collins and I have been representing individuals against insurance companies

since 1984. If you want, you can find out more about me at my web site at www.KerryCollinslaw.com.

TEXAS REQUIRES PROOF OF FINANCIAL RESPONSIBILITY

Texas law requires you to have auto liability insurance, and if you still owe money on your car, your lender requires that you also carry collision and comprehensive coverage. Auto insurance pays for damages, injuries, and other losses specifically covered by your policy. Read your policy carefully to know exactly what it covers. Pay special attention to the exclusions section, which lists the things your policy doesn't cover. The front page of your policy is called the declarations page. It contains useful information such as the exact name of your insurance company, your policy number, and the amount of each of your coverages and deductibles.

Texas has an automobile insurance Consumer Bill of Rights. Your company must send you a copy with your policy or policy renewal. Take time to read it to fully understand your rights under Texas law.

If you drive in Texas, you must show that you can pay for accidents you cause. Most Texas drivers do this by buying auto liability insurance. As of January 1, 2011, Texas law requires minimum coverage to be raised to \$30,000 per injured person, up to a total of \$60,000 for everyone hurt in an accident, and \$25,000 for property damage. This basic coverage will be called 30/60/25 coverage.

So you are clear, what exactly does the 30/60/25 coverage mean? The first number 30 is the total amount of insurance you purchased and available to protect you for any one person injured. So if the first number is 30 there will be a total of \$30,000.00 to pay for any one person injured.

The second number 60 is the total amount of insurance you purchased and available to protect you for any the entire accident. If there is more than one person injured you have \$60,000.00 available to pay for all persons who claim an injury. If five people are hurt in the accident, the most any one person can be paid is \$30,000.00 but all five people will have to share the

total of \$60,000.00. In this situation if any one persons damage exceeds \$30,000.00 or if the entire claim of all persons exceed \$60,000.00 you will be personally responsible for what the policy does not pay.

The third number 25 is the total amount of insurance you purchased and available to pay for property damage. This is whether it is one vehicle damaged or five. If there is more than one the \$25,000.00 will have to be split somehow between all vehicles damaged as \$25,000.00 is the most that will be paid total for all vehicles you damaged. Again, in this situation if any one person's vehicle damage exceeds \$25,000.00 or if the entire property damage claims of all persons exceed \$25,000.00 you will be personally responsible for what the policy does not pay.

As seen, basic coverage might not be enough if you are held liable for an accident. You should consider buying more than the basic limits. When you buy an auto policy, your insurance company will send you a proof-of-insurance card. You will have to show proof of insurance when you:

- * are asked for it by a law enforcement officer
- * have an accident
- * register your car or renew its registration
- * obtain or renew your driver's license
- * get your car inspected.

Texas law provides severe penalties for violating the state's financial responsibility laws. A first conviction will result in a fine between \$175 and \$350. Subsequent convictions could result in fines of \$350 to \$1,000, suspension of your driver's license, and impoundment of your automobile.

WHY AREN'T JURIES ENTITLED TO CONSIDER
INSURANCE WHEN REACHING A VERDICT IN A CAR
WRECK CASE 1

If Liability Insurance is mandatory and since every vehicle is required to have insurance why can't a jury consider that the Insurance Company and not the Defendant is really paying for the damages? What a great question! The insurance companies have spent billions of dollars on making sure they elect Legislators that will push their agendas. They have spent billions of dollars trying to convince every person who may be called to jury duty that every case is a "frivolous lawsuit" and that a "Trial Lawyer" is nothing more than a sleazy, underhanded, lying Lawyer that will do and say anything to take money from the poor insurance company.

You can rest assured in a car wreck case that if there is a lawyer defending the Defendant and the case has made it all the way to a trial, the Defendant probably has insurance coverage that will cover the damages.

All insurance policies have a provision that the Insurance Company has a right to settle or not settle any claim on its own. The person who bought the insurance has no say in whether any case should settle and therefore no ability to prevent themselves from being sued. Insurance companies are betting that juries will give little or no money so they can pay as little as possible on each suit. In the large majority of cases the Defendant themselves will never have to pay a penny as they purchased insurance that will cover the damages in the suit.

The reason why Courts and Attorneys can't tell you this in a specific trial involving a car accident is the Courts are afraid juries will disregard evidence and award money just because there is insurance that will pay for the damages. But if you sit on a jury in Texas, you will now know that the Insurance Company and not the Defendant will pay for all damages you award. This is what you are required to pay your hard earned money for and the Insurance Companies will begin to settle more cases and stop wasting your time by making you go to

jury duty once juries begin awarding more money that the Insurance Companies have to pay. Cases will settle much easier when that happens and you won't have to go waste your time sitting on a jury when they know they owe the injured party money.

SO WHAT ARE THE DIFFERENT TYPES OF AUTOMOBILE COVERAGE IN TEXAS?

The Texas Personal Automobile Policy offers eight types of coverage. Texas law requires you to have basic liability coverage. The other coverages are optional, but if you still owe money on your car, your lender will require you to have collision and comprehensive coverage. The following describes the eight types of coverage available in the Texas Personal Automobile Policy. Auto insurers may offer alternative policies if approved in advance by the Texas Department of Insurance (TDI).

* Liability Coverage

Pays: Other people's expenses for accidents caused by drivers covered under your policy, up to your policy's dollar limits. These may include the other person's medical and funeral costs, lost wages, and compensation for pain and suffering, car repair or replacement costs, auto rental while their car is being repaired and punitive damages awarded by a court.

* Liability insurance also pays your attorney fees if you are sued and bail up to \$250 if you are arrested.

Covers: You, your family members, and other people driving your car with your permission, even if they don't have their own liability insurance and are not named on your policy. You and your family members also are covered when driving someone else's automobile - including a rental car - but not a car that you don't own but have regular access to, such as a company car.

Who qualifies as a family member?

Your auto policy covers your spouse, blood relatives, in-laws, adopted children, wards, and foster children living in your home, even if not named on the policy.

Family members attending school away from home and a spouse living elsewhere during a marital separation also are covered.

* Medical Payments Coverage

Pays: Medical and funeral bills arising from accidents, including those in which the victim was a pedestrian or a bicyclist.

Covers: You, your family members, and passengers in your car, regardless of who caused the accident.

* Personal Injury Protection (PIP) Coverage

Pays: Same as medical payments coverage, plus 80 percent of lost income and the cost of hiring a caregiver for an injured person.

Covers: You, your family members, and passengers in your car, regardless of who caused the accident.

An insurance company must offer you \$2,500 in PIP, but you can buy more. If you don't want PIP, you must reject it in writing.

* Uninsured/Underinsured Motorist (UM/UIM) Coverage

Pays: Your expenses from an accident caused by an uninsured motorist or if the other driver did not have enough insurance to cover your bills, up to your policy's dollar limits. Also pays for accidents caused by a hit-and-run driver if you reported the accident promptly to the police.

Bodily injury UM/UIM pays without deductibles for medical bills, lost wages, pain and suffering, disfigurement, and permanent or partial disability.

Property damage UM/UIM pays for auto repairs, a rental car, and damage to items carried in your car. There is an automatic \$250 deductible. This means you must pay up to \$250 of the repairs yourself.

Covers: You, your family members, passengers in your car, and others driving your car with your permission.

Insurers must offer UM/UIM coverage, but you can reject it in writing. Any valid rejection must be in writing and signed by you.

* Collision (Damage to Your Car) Coverage

Pays: The cost of repairing or replacing your car after an accident, regardless of who was driving or who was at fault. Payment is limited to your car's actual cash value, minus your deductible. Actual cash value is the market value of a car like yours before it was damaged.

* Comprehensive (Physical Damage Other than Collision) Coverage

Pays: The cost of replacing or repairing your car if it is stolen or damaged by fire, vandalism, hail, or another cause other than collision. Comprehensive coverage also pays for a rental car or other temporary transportation if your car is stolen. Your policy won't pay for an auto theft unless you report it to the police. Payment is limited to your car's actual cash value, minus your deductible.

* Towing and Labor Coverage

Pays: Towing charges when your car can't be driven. Also pays labor charges, such as changing a tire, at the place where your car broke down.

* Rental Reimbursement Coverage

Pays: A set daily amount for a rental car if your car is stolen or is being repaired because of damage covered by your policy.

* Coverage for Stereo Equipment

Your policy won't pay for tapes, compact discs, cellular

phones, citizen band radios, or stereo equipment not permanently installed in your car. However, you can buy endorsements to your policy that provide separate coverage for these items for an additional premium.

INSURANCE COVERAGE WHEN RENTING A CAR

Auto rental agencies offer collision damage waivers as well as liability policies. The collision damage waiver is not insurance. It is an agreement that the rental company will waive its right to recover the costs of the damage to the auto from the renter with certain exceptions, regardless of who is at fault. If you have an auto liability policy, your policy already covers damage to a rental car. Your coverage limit, however, might be less than the value of a rental car. If you rent cars often, it might cost less to raise the liability limit on your auto policy rather than buying collision damage waivers each time you rent. The Texas Automobile Rental Liability Policy provides liability insurance for renters who do not have a personal auto policy.

If you don't own a car, but borrow or rent cars often, you can buy a non-owner liability policy. A non-owner policy pays for damages and injuries you cause when driving a borrowed or rented car but not for damage to the auto you are driving.

COVERAGE WHEN DRIVING IN OTHER STATES, CANADA, AND MEXICO

Your Texas policy automatically meets the financial responsibility requirements of other U.S. states and Canada. Mexico, however, does not recognize U.S. auto liability policies.

Mexico does not require drivers to have automobile liability insurance. However, drivers can be held criminally and financially responsible for any auto accidents they cause. If you're in an accident that results in an injury, police in Mexico may detain you until they determine who is at fault. You will have to show that you either have insurance recognized by the Mexican government or the financial ability to pay any judgment against you.

You can buy Mexican liability insurance from Texas agents who specialize in it.

Some U.S. companies provide a free endorsement extending your policy's coverage to infrequent trips of up to 10 days and as far as 25 miles into Mexico. You can buy coverage for longer stays, but it is valid only within 25 miles of the border. Telephone books in border towns list insurance agents that specialize in car insurance for travel in Mexico. Your local agent also might be able to help you find coverage with a Texas-licensed Mexican company.

You also may be able to buy a limited Mexico "tourist" endorsement that extends your Texas liability coverage to pay expenses exceeding those covered by a Mexican liability policy. This endorsement covers trips of any distance and any length of time. Ask your agent which endorsements your insurance company offers.
Coverage of New or Additional Automobiles

If you buy a new or additional car, your policy will automatically cover it, but there are certain limitations you should be aware of.

An additional car automatically has the same coverage as

the car with the broadest coverage provided by your policy. For example, if you have two cars - one with liability coverage only and one with liability, collision, and comprehensive - and you buy a third car, the third car will automatically have liability, collision, and comprehensive coverage.

A replacement car automatically has the same coverage as the car it replaced. For example, if you trade in an older car that only had liability coverage, the new car will automatically have only liability coverage.

Be sure to notify your insurance company as soon as possible that you have added or replaced a car and which coverages you want. You could lose coverage on the new car if you wait longer than 30 days.

SHOPPING FOR AUTOMOBILE INSURANCE

Rates vary widely among companies, so it pays to shop around. Following are some useful tips to help you find the best deal for your money:

- * Decide before shopping what coverages you need.
- * Consider choosing a higher deductible. Your deductible is the amount you must pay yourself before the insurance company will pay. Higher deductibles will lower your premium, but remember that you'll have to pay more out of your own pocket if you have a claim.
- * Because rates vary, ask several companies and agents for price quotes. Make sure the quotes you get are for the same coverages.
- * When getting a price quote or applying for insurance, answer questions truthfully. Wrong information could cause you to get an incorrect price quote or could lead to a denial or cancellation of coverage.

Buy from a preferred company if you can. There are three types of insurance companies - preferred, standard, and nonstandard. Preferred companies offer the lowest rates. Standard companies have rates that are somewhat higher. Nonstandard companies have the highest rates. In Texas, a nonstandard company is likely to be a county mutual. Nonstandard companies often sell to drivers with poor driving records or other problems. Many insurance companies are actually groups of companies. An insurance group might consist of a preferred company, a standard company, and a nonstandard company. The insurer will place you in a particular company in the group based on its assessment of your risk for a claim.

Consider factors other than price - including a company's financial rating and its complaint index. Financial ratings indicate a company's financial strength and stability, while its complaint index indicates a company's customer service record. Buy only

from licensed companies and agents. You can find out whether a company or agent is licensed and learn a company's financial rating from an independent rating organization and its complaint index by calling TDI 's Consumer Help Line 1-800-252-3439 or 512-463-6515 or by visiting the TDI website at www.tdi.state.tx.us

- * Ask your agent whether you qualify for discounts. Some discounts are required by the state, while others are optional with companies. County mutuals are not required to give discounts.

AUTO INSURANCE MAP

Sometimes good drivers pay higher rates than they should because they were placed in a nonstandard company or in the Texas Automobile Insurance Plan Association (TAIPA). TAIPA is the state's assigned risk plan. TDI's auto insurance Market Assistance Program (MAP) offers eligible drivers a chance to save money by helping them find coverage with a standard insurance company. To be eligible, you must live in a ZIP code designated by TDI as "underserved" by standard insurance companies. In addition, you and all other drivers covered by your policy may not have had any at-fault accidents or tickets for moving violations for the past three years. TDI will verify your driving record and make your application available to participating insurance companies. The companies may offer coverage at their standard or preferred rates to qualifying applicants. To learn if you're eligible and to apply for coverage, call (800) 252-3439 .

UNDERSTANDING RATES

Texas law requires rates for insurance offered in Texas to be reasonable, - adequate, not excessive to the risks for which they apply, and not unfairly discriminatory. Currently, most auto insurance companies set their own rates, within a range of 30 percent above or below "benchmark rates" determined each year by the Texas Commissioner of Insurance.

However, companies called county mutuals set their own rates without limitations and without regard to the benchmark rates. Most county mutuals generally charge more than other companies. If your insurance company is a county mutual, you should shop for coverage with a standard or preferred company that offers lower rates.

Note: Beginning December 1, 2004, all auto insurers, including county mutuals, must file their rates with TDI. The companies will not have to receive prior approval before putting their rates into effect, but their rates will still be subject to review by TDI. If TDI determines that a company's filed rates are excessive, the company can be ordered to make refunds to consumers who were overcharged.

FACTORS THAT AFFECT YOUR PREMIUM

Companies may use a number of criteria to establish your individual premium. These include:

- * Your age and, for younger drivers, your marital status. Male drivers under 25 and unmarried women under 21 have the highest rates. Drivers over 50 may get discounts.
- * Your driving record and claims history. A good driving record can save you money. If you have accidents or tickets on your driving record, you'll likely be placed in a nonstandard company, which charges higher rates. In addition, companies can add penalties - called surcharges - to your premium for major driving offenses and accidents resulting in property damage of \$1,000 or more. Surcharges are mandatory for rate-regulated companies and stay on your premium for three years.
- * The County where you keep your car. Because urban counties have more accidents and auto thefts, their rates tend to be higher than those of rural areas.
- * The type of car you drive. Collision and comprehensive rates are highest for luxury, high-performance, and sports cars. Rates may also be higher for cars that damage easily or cost more to repair than others.
- * How you use your car. Rates are higher for cars driven to and from work or used for business.
- * Your credit score. Companies may consider your credit score when deciding whether to sell you a policy and what to charge you. However, a company cannot refuse to sell you a policy or cancel or nonrenew your policy solely on the basis of your credit. Companies that use credit scoring must file their models with TDI.
- * Whether you drove uninsured in Texas. Companies can charge more if you drove uninsured in Texas for

more than 30 days in the 12 months before you applied for insurance. However, a company cannot otherwise charge you a higher rate for liability coverage because of your prior lack of coverage.

Companies must file their underwriting guidelines with TDI and update them each time they make a change.

DISCOUNTS AND SURCHARGES

Discounts can help you save money, while surcharges will cause you to pay more. The following tables list common discounts available in Texas and the surcharges that will raise your premium:

Discounts

Mandatory Discounts Amount of Discount

Defensive driving and driver education courses get you 10 percent off liability, collision, medical payments, and PIP for young drivers.

Airbags and other passive restraints get you 15 percent off medical payments and PIP (driver's side) and get you 30 percent off medical payments and PIP (both sides)

Two or more cars on a policy get you 20 percent off liability, medical payments, and PIP and get you 15 percent off collision.

Optional Discounts

Companies may give discounts for:

- ^ your age and annual mileage driven
- ^ policy renewal, with a good claims and driving record
- ^ anti-lock brakes
- ^ a parent or family whose young driver is away at school without a car
- ^ cars with automatic daytime running lights
- ^ students with good grades.

Amount of discount varies by company.

TDI rules require all auto insurers to offer installment plans. Some companies only offer payment plans through premium finance companies, which usually charge high interest rates.

Shopping smart for car insurance means you should seek

not only low rates but also low-cost financing. Ask who will provide your installment plan. Look for insurance companies that offer their own installment arrangements. Ask about the down payment, the number of installments, interest or service charges, and the amount of your total monthly payment. Get premium quotes and installment plan information from several companies before you decide.

LOSING YOUR INSURANCE

Companies may cancel or nonrenew a policy for a variety of reasons. Cancellation means the company terminates your policy before it runs out. Nonrenewal means the company refuses to renew your policy when it expires. It's helpful to know your rights regarding cancellation and nonrenewal of your insurance.

A company must explain in writing its reasons for declining, canceling, or not renewing your policy. This explanation must include:

- * the precise incident, circumstance, or risk factor that violated the company's underwriting guidelines
- * the insurer's sources of information about the incident, circumstances, or risk factor.

An insurance company may not cancel an auto policy that has been in effect for more than 60 days unless:

- * you fail to pay your premium
- * you file a fraudulent claim
- * your driver's license or motor vehicle tags are suspended or revoked. This also applies to other drivers who live with you or customarily use your car.

However, during the first 60 days, the company may cancel a policy for any lawful reason, including a ticket or an accident. If the company cancels your policy because of an accident, it still must pay for covered damages resulting from the accident. The company must give you written notice at least 10 days before canceling your policy.

If either you or the company cancels your policy, the company must refund any premiums paid in advance that did not buy coverage. This amount is called the "unearned premium." For example, if you paid a six-month premium of \$600 and you cancel your policy after one month, the company owes you \$500 in unearned premium.

A company cannot refuse to renew your policy unless it

has been in effect for at least 12 months. This means a six-month policy must be renewed to give you a full 12 months of coverage. The company must give you 30 days' notice before not renewing your policy.

In Texas, a company cannot refuse to renew your policy because of:

- * weather-related claims, including damage from hail, floods, tornadoes, high winds, and hurricanes
- * damage from colliding with animals or birds
- * damage from gravel and other flying and falling objects (the company can raise your deductible, however, if you have three such claims in 36 months)
- * towing and labor claims (the company can refuse to renew your towing and labor coverage, however, if you have four such claims in 36 months)
- * other claims or accidents that cannot reasonably be blamed on you, unless you have more than one of these claims in a 12-month period.

Sometimes an insurer will move you to another company in its group. If a company moves you to another company within its group, it must give you 30 days' notice that your original policy will not be renewed. If the company fails to give you 30 days' notice, TDI can require the company to renew your policy for another year in your original company.

If you get a nonrenewal or cancellation notice, it's a good idea to start shopping for new insurance immediately. You'll need to make sure that you keep your liability coverage uninterrupted to satisfy Texas' financial responsibility laws. Also, if you still owe money on your car, your lender will usually require you to maintain collision and comprehensive coverages without interruption. If you cancel or lose these coverages, your lender will buy single-interest automobile physical damage coverage and add the cost to your loan payment. It's expensive and protects only the lender. You may drop collision and comprehensive once you have paid off your car loan, but you should keep the coverages as long as you owe money on your car.

YOUR RIGHTS AGAINST UNFAIR DISCRIMINATION

An insurance company cannot deny, refuse to renew, limit, or charge more for coverage because of your race, color, religion, or national origin.

A company also cannot deny, refuse to renew, limit, or charge more for coverage because of your age, gender, marital status, geographic location, disability, or partial disability unless the refusal, limitation, or higher rate is "based on sound underwriting or actuarial principles." This means the company would have to show valid evidence that you present a greater risk for a loss than others it is willing to insure. Also, a company cannot nonrenew your policy because someone in your family has reached driving age.

In addition, a company cannot unfairly discriminate between individuals of the same rate or risk class in its rates, policy terms, benefits, or in any other manner unless the refusal, limitation, or higher rate is "based on sound actuarial principles."

You may sue insurance companies for unfair discrimination, including denial of insurance. The suit must be filed in an Austin district court. However, if the court finds the suit groundless, in bad faith, or brought for the purpose of harassment, you may be ordered to pay the insurance company's legal expenses.

AUTO INSURANCE FOR "HIGH RISK" DRIVERS

Being labeled "high risk" makes it harder to get car insurance, particularly at favorable prices. Insurance companies often check motor vehicle records for your driving history and credit reports for your financial history before writing or renewing your policy. Owning a car built for speed also can label you as high risk.

Many companies use the Comprehensive Loss Underwriting Exchange (CLUE) to learn an applicant's insurance claims history. If the company based its decision to deny, cancel, or nonrenew you even partly on a CLUE report, you can get a free copy by calling the Choice Point Consumer Center or visiting its website
1-800-456-6004 www.choicetrust.com/index2.htm

Before calling, get the CLUE reference number from the company's denial letter or, from the company. Using the reference number will speed the process and ensure you request the right report.

INSURANCE OPTIONS FOR HIGH-RISK DRIVERS

- * Several major insurer groups include county mutuals for their high-risk business.
- * TAIPA is available for drivers who can't find basic liability coverage elsewhere. You qualify for coverage through TAIPA only if two insurance companies reject you. A licensed insurance agent must sign your application and send it to TAIPA. TAIPA then assigns you to an insurance company, which collects your premium and pays your claims. The company will provide coverage for as long as three years.
- * Keep shopping! Each company has its own underwriting guidelines for deciding whether to insure people.

If you get auto insurance through TAIPA, your policy will provide basic liability insurance required by Texas law. You can add \$2,500 worth of Personal Injury Protection and uninsured/underinsured motorist coverage.

TAIPA doesn't provide collision or comprehensive insurance. Nor does it offer more liability coverage than the law requires. TAIPA policyholders who need collision, comprehensive, or more liability coverage should ask an agent for help finding a policy.

TAIPA coverage costs more than most companies charge, but could be less than you would pay a county mutual. TAIPA policyholders must pay additional premiums, called surcharges, for traffic convictions. They also pay higher surcharges for accidents than other drivers. TDI rules encourage insurance companies to take policyholders out of TAIPA and insure them at lower rates after a year without tickets or accidents. The rules also require companies to offer cheaper "voluntary" policies to their TAIPA policyholders who have gone three years without tickets or accidents.

To get coverage through TAIPA, apply through a licensed agent who will forward your application and first payment to TAIPA. You should receive a proof-of-insurance card by mail within 10 days. Only agents

specifically certified by TAIPA may sell TAIPA policies. An agent who quotes you a premium higher than TAIPA's must tell you about TAIPA if you were previously uninsured and had no more than one accident and one ticket in the past three years.

For more information about TAIPA, call 1-800-580-TAIPA or 512-444-4441.

AFTER THE ACCIDENT... WHAT NOW? ACCIDENT CHECKLIST

- * Move your car, if possible, to avoid blocking traffic and to protect it from further loss or damage.
- * Call the police if somebody is injured or killed, if a vehicle can't be moved, or if the accident involved a hit-and-run driver. Your uninsured motorist coverage pays for a hit-and-run accident only if you report the accident to the police.
- * Get the other driver's name, address, telephone number, license plate number, driver's license number, and insurance information. Give the other driver the same information about you.
- * Take Pictures - almost every cell phone has a camera. Take pictures of the cars, any injuries, any skid marks, license plates, VIN numbers, the other person involved. Believe me this is probably the best source of information if the police are not called.
- * Record the insurance company name and the policy number exactly as shown on the other driver's proof-of-insurance card. Similar company names can cause confusion, so make sure you write down the correct company name.
- * Get the names, addresses, and telephone numbers of any witnesses to the accident.
- * Notify your insurance company as soon as possible. Your company probably has a 1-800 number to report claims. If not, call your agent. Some agents have authority to settle small claims. The agent or company will advise you about seeing an adjuster and getting repair estimates. Also, give your agent or company the names and addresses of any witnesses and injured persons.
- * If you reported your claim by phone, be sure to follow up in writing as soon as possible to protect your rights under Texas' prompt payment of claims laws.
- * Send the company copies of the accident report and any legal papers you receive about the accident.
- * Cooperate with the company's investigation. You might have to submit a proof-of-loss form and

undergo a medical examination.

- * If the other driver refuses to tell you his or her insurance company, get a copy of the police accident report. The accident report will list the other driver's name and insurance company. If the police did not investigate the accident, you can report the driver's refusal to the police. This could result in a report identifying the driver's insurance company. In addition, the Department of Public Safety keeps files of forms - called SR-22s - that show the insurance companies of people convicted of DWI or driving without insurance. DPS will advise you how to find out if the driver has an SR-22 on file and the name of his or her insurance company. You may also request the information by calling 512-424-2600.

I know this is a lot of information to try to remember if you are shaken up after a car wreck. That is why I have created a free ACCIDENT INFORMATION CARD with this, and more information as well as plenty of space to list all needed information.

If you have any questions or would like one of my free ACCIDENT INFORMATION CARDS, please feel free to e-mail my office at kcpc@txis.net or info@kerrycollinslaw.com. You can also call me at 817/335-9700.

ACCIDENTS CAUSED BY OTHER DRIVERS

If you were in an accident caused by another driver, the other driver's insurance company should pay the following costs, up to the policy's limits:

- * repair or replacement of your car
- * car rental while your automobile is being repaired
- * your medical and hospital bills
- * wages lost because of an injury
- * compensation for pain and suffering if anyone is hurt.

If the other driver's insurance won't cover all of your medical bills, you should file a claim for the difference against your Personal Injury Protection (PIP) coverage, if you have it. For amounts over that, you can claim against your uninsured/underinsured motorists (UM/UIM) coverage or your health insurance policy.

If the other driver's policy won't cover all of your auto repairs, file a claim against your collision or UM/UIM coverage for the difference (minus your deductible) between the damage to your car and what the other driver's policy will pay.

The other driver's insurance company may ask you to sign a release to settle your claim and forgo future claims related to the accident. Don't sign a release until you are satisfied with your total settlement. Get a letter from your doctor estimating the cost and length of your future medical treatment. You might want to consult an attorney before accepting a settlement. Under Texas law, you have two years after an accident to either settle your claim or file a lawsuit.

Texas law prohibits insurance companies from delaying payment on a claim as a means to pressure you to sign a release. If you believe an insurance company is delaying payment to you so that you will sign a release, you should file a formal complaint with TDI.

If the other driver denies fault, his or her insurance company may refuse to pay the claim. Independent

witnesses could make a difference in getting the company to pay. It's important to get names, addresses, and telephone numbers of any witnesses to the accident. Make sure the insurance company knows about the witnesses. If the company continues to refuse to pay the claim, you can file a claim against your own insurance or you may have to go to court to resolve the issue.

GETTING YOUR CAR REPAIRED

Your insurance company will have an adjuster inspect your car and calculate an estimate for repairs or may ask that you provide repair estimates from mechanics and auto body shops. The insurance company will pay for repairs or replacement only up to the car's actual cash value. Actual cash value is the amount that your car would have sold for before the accident. An insurance company cannot require you to use a particular repair shop. In fact, insurance companies are required to notify you of your freedom-of-choice rights regarding auto repair shops and parts. On collision and comprehensive claims, however, your company is obligated to pay only for parts of "like kind and quality" to those that were damaged.

If the repair estimates are more than your car is worth, the insurance company will likely "total" your car rather than pay to fix it. Insurance companies typically value your car by the National Automobile Dealers Association Used Car Guide or by a "market survey" showing average prices of various makes and models. The company's offer might not recognize your car's condition, special features, value on the local market, or may be less than what you owe on your car loan. In these instances, be prepared to negotiate with the insurance company to get what you believe is a fair deal. A company is more likely to raise its offer if you can show that your car would sell for a higher price in your area. Get written price quotes for a similar automobile from several used car dealers, or look in the classified section of your local newspaper for used car prices.

Sometimes the insurance company may want to total your car, but you'd prefer to have it repaired instead. You can keep your car if you are willing to subtract its salvage value from the insurance settlement. First make sure the cost to repair the car will not exceed the car's actual cash value. To find out the salvage value, contact local salvage yards for estimates. Be sure to record the yard's telephone numbers and the names of the people you spoke with.

If your insurance company totals your car but you can't reach an agreement on the amount to be paid, you can demand an appraisal. Appraisal allows you and the company to hire separate damage appraisers. The two appraisers choose a third appraiser to act as an umpire. The appraisers then review your claim, and the umpire rules on any disagreements. The appraisal decision is binding, but only as to the amount of the loss. If there is a dispute over what is covered, you can still pursue a settlement of the coverage issue after the appraisal takes place. You are required to pay for your appraiser and half of the umpire's costs.

Appraisal is available only in disputes between you and your insurance company. It is not available if the other driver was at fault and you disagree with his or her company's offer.

GETTING A RENTAL CAR

If you have more than basic liability coverage or your accident was caused by another driver, you should be able to get a rental car while yours is being repaired:

If the other driver was to blame, his or her liability insurance should or a rental car. However, whether they pay is on a case by case basis and there is no legal requirement they provide you with a rental car. If they don't provide you with a rental car you should keep all receipts and make a claim for the money you spent on the rental car as part of your claim.

- * If the accident was a hit-and-run or the other driver was uninsured and at fault, your UM/UM property damage coverage will pay for a rental car.
- * If your car was stolen and you have comprehensive insurance, your company will provide a set amount each day, up to your policy's limit, for a rental car.
- * If your car is being fixed or replaced for some other reason, your insurance company won't provide a rental car unless you have rental reimbursement coverage.

FILING A CLAIM

Once you have filed a claim, Texas law sets these deadlines for the insurance company to act:

- * The company must respond within 15 days after receiving your claim in writing. It probably will ask you to document your loss.
- * After you submit any requested documentation, the company has 15 business days to accept or reject your claim.
- * Once the company agrees to pay your claim, it must send your check or draft within five business days.

A company that cannot meet these deadlines must send you a notice explaining why. The company then has 45 days to either approve or reject the claim.

Note: This law does not apply if another driver's insurance company is paying the claim. However, the company is required to act in good faith and to make a prompt and fair settlement.

If the insurance company rejects your claim, Texas law requires it to explain the rejection in writing. If the company claims that the loss isn't covered by your policy, ask to see the policy language that supports the denial of your claim. A court usually will order the company to pay if the language is unclear and the policy reasonably could be read your way.

AUTOMOBILE INSURANCE FOR YOUNG DRIVERS

Young drivers must comply with the state's financial responsibility laws, just as older drivers do. Most young drivers, however, have the option of satisfying their legal requirements by being added to their parents' auto policy. Adding a young driver to a parents' policy can be expensive, but it's cheaper than taking out a separate auto policy.

A parents' policy covers children living at home or away at school, even when not named on the policy. Even though children are automatically covered on their parents' policy, it's important that they be listed on the policy as soon as they reach driving age. Insurance companies are required to charge the correct rate, based on the classifications of the drivers in your family. If you don't have all of the drivers in your family listed on your policy and the company learns about them later - because of an accident claim, for instance - the company will bill you for the extra premium you should have paid.

If you have children attending school away from home, tell your insurance company. Because rates are based on where a car is usually located, the insurance company may need to adjust your premium. If the school is in another state, it's a good idea to check on the financial responsibility laws in that state to make sure you have the appropriate coverages.

When you add your children to your policy, they may be rated on the most expensive auto in your household. The rules for this are complex and address a variety of situations. However, generally, if a teenager is the "principal driver" of a particular automobile, his or her rate will be based on that car. If not, the teenage driver is assigned to the car (usually the most expensive) that produces the highest rate.

REMOVING YOUR CHILDREN FROM YOUR POLICY

You may want to remove your children from your policy when they are no longer living with you. You'll probably have to prove to the insurance company that a young driver no longer lives at home. However, you can use documents like a driver's license, lease agreement, or utility receipts to prove that your child has moved. A remotely possible alternative would be a named driver exclusion added by mutual agreement between you and the insurer.

It's probably not a good idea to remove your children from your policy who have moved because they are attending school away from home. An insurance company may require you to keep them on your policy, even if you would like to have them removed. Technically, you could remove your child from your policy with a "named driver exclusion" endorsement. Few companies will agree to this, however. Besides, it's risky to drop coverage when your teenager might occasionally drive at school or when home on visits.

You can sometimes remove a teen-aged driver from your policy by purchasing a non-owner policy. This usually is a bad idea. A non-owner policy merely provides additional liability insurance when driving a non-owned vehicle. If your teenager has an accident while driving your car, neither your policy nor the non-owner policy will pay for your vehicle's damage. You might also be unprotected financially if held liable for an accident caused by your minor child. Finally, if the non-owner policy is rated properly, your teenager's liability insurance might cost as much as or more than if he or she was on your policy.

SAVING MONEY ON INSURANCE FOR YOUNG DRIVERS

Unfortunately, insuring young drivers is usually expensive. Some young drivers may qualify for discounts, however. If you are under 18, you must complete a driver training course approved by DPS to obtain a Texas driver's license. Many insurance companies give a 10 percent driver training credit for teenagers who complete driver education. Parent-taught drivers are eligible for the discount if the parent used a DPS-approved course. Some companies offer discounts to young drivers who make good grades in school or who belong to certain youth groups. Ask your agent about any discounts for young drivers.

GETTING HELP

If you have a problem with your insurance company, first try to resolve the problem yourself. Often disputes are the result of miscommunication. Talk to your agent or a company representative. Texas law requires most companies to have toll-free telephone lines for their policyholders.

If you are unable to resolve the dispute, you can file a complaint with TDI. TDI will promptly notify the company of your complaint, ask for a detailed response, and then send you a copy of the response when it is received. The insurance specialist assigned to your complaint will send you an explanation of the outcome.

Most complaints are completed in about 45 days. TDI has limited jurisdiction in some complaints. For instance they can't resolve questions of fact and have no authority over third-party claims. However, even if they are unable to resolve your complaint they may be able to bring about a more thorough review of the matter. In addition, your complaints and inquiries help TDI assist other Texans by identifying insurance companies and agents that should be investigated and helping determine the kinds of help consumers need most.

MORE FREE INFORMATION FROM THE STATE

- * TDI offers a variety of insurance-related publications and services. Publications are available in alternate languages and formats and on their Web site.
- * For printed copies of free consumer publications, go online to www.tdi.state.tx.us/index.html and click on "Find Publications" bar. You can download all sorts of helpful information there.
- * For answers to general insurance questions you can go to the website listed above or call the Consumer Help Line between 8 a.m. and 5 p.m., Central time, Monday-Friday 1-800-252-3439 or 512/475-1771 in Austin

You may file an insurance-related complaint with TDI several ways:

- * www.tdi.state.tx.us/consumer/complfrm.html
- * by mail at Texas Department of Insurance Consumer Protection P.O. Box 149104 Austin, TX 78714.

TAKE NOTES AND PICTURES OF THE INCIDENT AND YOUR INJURIES

Two critical issues in any legal claim after an accident or injury are:

- * What exactly happened during the incident that gave rise to the claim?
- * What kind of harm resulted?

These issues will arise at many stages of a personal injury case, and more complex cases can last a year or more, so having a clear record to refer back to can contribute toward the success of your claim. One of the best ways to make sure that you preserve every important detail of your accident or injury is to take notes as soon as possible after the incident, including what happened and the effects of your injuries on your daily life. Although taking notes may be the last thing on your mind soon after what may be a traumatic experience, remember that it will help strengthen your position in a legal claim for your injuries. (Note: If you are unable to act quickly due to injuries or medical treatment, you might ask a loved one or close friend to help you follow the suggestions described below.)

TAKE PICTURES - almost every cell phone has a camera. Take pictures of the cars any injuries, any skid marks, license plates, VIN numbers, the other person involved. Believe me this is probably the best source of information if the police are not called.

As soon as you can, write down everything you can think of that relates to:

- * What exactly happened before, during, and after the incident that led to your injury or time and place, weather conditions, who was present, what was said, how the incident played out, what you experienced and felt, and anything else that you feel may be important to record.
- * Extent of your injuries or what injuries you suffered (physical and mental), medical treatment you received (past and future), and the effect of

your injuries on every aspect of your work, social, and personal life. This includes visits to the doctor and physical therapist, time missed from work, any planned vacations that were postponed or cancelled, and the effects that your injuries have had on your close family relationships. Also again document your injuries by photographs. Digital Cameras take very clear pictures nowadays and if you don't have a camera almost every cell phone can take pictures. It is very important that you document your injuries throughout the healing process. In this situation a picture really is worth a thousand words. I cannot tell you how effective photographs of injuries make all the difference in settlements or jury verdicts.

TAKE NOTES THROUGHOUT THE CLAIM PROCESS

As your claim progresses, continue to keep track of new developments by taking notes after any conversations with your insurance company, medical care providers, witnesses to the incident, and anyone else with whom you discuss important aspects of your case. Write down each person's name and contact information, the date and place of the conversation, and as much as you can remember about what was said.

MOST TEXANS CARRY WAY TOO LOW CAR INSURANCE

Let me give you an example of what this means. You have been seriously injured in a car wreck. You have been hit head on by a teenage drunk driver. You are taken to the hospital by an ambulance, or maybe even a Careflight helicopter. You are admitted to the hospital in a coma and are diagnosed with a brain injury and terribly mangled and broken left leg and arm. The doctors want to amputate your leg and have to perform surgery on your arm, hoping to save it. There is not doubt both your leg and arm will be disfigured for the rest of your life, if they are able to save them now. The best you can hope for, if you come out of the coma is that you will have some use of your leg and arm. You come out of the coma, they have saved your leg and arm after numerous surgeries and now the real work begins. You are sent to a rehabilitation center to re-learn skills you lost because of the brain injury and your disabled leg and arm. It will be years before you can become employed again, if ever. The costs are astounding:

- * Over \$25,000.00 for every day in intensive care
- * Over \$10,000.00 for the rest of the days in the hospital
- * Around \$3,000.00 for every day spent in the rehabilitation center
- * No income at all while you are in the hospital and after while you are re-habbing
- * Thousands of dollars needed for future medical care

There's several things you and your family didn't think you needed to worry about - how to pay the huge medical bills and how to survive financially if you were injured and could not work. You will just sue the drunk driver. He is required to have auto insurance in Texas - isn't he? The medical bills and lost wages would be paid out of a claim made against the teenager's car insurance policy, right?

WRONG!

This nightmare was just beginning for you when you saw

the police report and the teenager that hit you was given a ticket for no insurance. You called him but he and his parents never answered and never returned the numerous messages you left for them. But wait! Drivers in Texas have to carry liability insurance to cover my bills and injuries right?

According to the Texas Department of Insurance at any given time 33 1/3% to 40% of all drivers ARE DRIVING WITH NO INSURANCE! Why is this number so high?

One reason is many people simply can't afford insurance and hope they do not have an accident or get a ticket while they are not carrying insurance. When their car license or inspection tags come due they go buy insurance so they can renew their license tags and inspection sticker and agree to pay a monthly fee. However, they only pay the first month, when they are renewing their tags, and never pay anymore. Their insurance is canceled by the time they are in the accident with you. They only receive a ticket for no insurance after they have severely injured you.

Another reason is the Insurance companies in Texas have convinced your State Legislature to change the coverage for family member provision. Prior to 2003 the family member coverage provision automatically covered you, your family members, and other people driving your car with your permission, even if they don't have their own liability insurance and are not specifically named on your policy. You and your family members also are covered when driving someone else's automobile - including a rental car - but not a car that you don't own but have regular access to, such as a company car.

Starting in 2003 with the major "TORT REFORM" advocated by insurance companies they now have the power to "exclude" any named insureds family members if they sign a waiver. This provision violates Texas law but has not yet been tested by the Courts. In other words when they go to buy insurance and their agent "recommends" that they can make their insurance premiums cheaper he will have them sign an exclusion that removes their spouse, children or any other family members that live with them. This means that even though the family members, in

our case the teenage drunk driver that regularly drives the car have NO INSURANCE COVERAGE to protect you when they drive. Great huh?

This means that even if the teenager may be able to show the police officer there is insurance on the car there will be no insurance to protect you because his parents excluded him from coverage. Don't you just love insurance companies?

They never miss a chance to take in tons of money in premiums and then deny coverage when they should be paying. This means that even though they took in premiums to cover the vehicle in the accident with you they will deny your claim against their teenage driver they do not have to handle the claim; do not have to hire an attorney for the teenager; do not have to defend the teenager and do not have to pay any money for the damages you sustained even though they carried insurance to cover that car. You are hung out to dry.

In our example where you were seriously injured assume that for one of the reasons set forth above the drunk driver did not have insurance.

MORE BAD NEWS

Your medical bills were paid by an insurance plan from your employer. This plan claimed it had what is called a subrogation clause. This plan says, "If we pay your medical bills for an accident and the accident was someone else's fault, we want to be repaid for every penny we spent before you collect a dime for yourself."

In other words, even if we get any money out of the drunk driver, the health insurance company wants it all!

On top of that the Careflight helicopter and the hospital have filed a Statutory Lien for their medical expenses that have to be addressed out of any money you recover also.

BEWARE OF STATUTORY LIENS, ERISA AND HEALTH CARE SUBROGATION LIENS

If your medical bills were paid by health insurance of an employer's health plan, the health insurance company or plan may want you to reimburse it out of any personal injury recovery. Your "insurance" turns out not to be insurance at all, but a "loan." The laws in some states, including Texas is that these liens have to be addressed at the time of settlement. We have seen cases where the insurance companies hired lawyers to make the claims for them. What they don't tell you is that this area of law, known as "reimbursement or subrogation" is actually quite complicated and is sometimes governed by a federal law called ERISA (The Employee Retirement Income Security Act of 1974). Your attorney must understand the implications of ERISA on your case. If these liens are not addressed at the time of settlement, they may sue you immediately to recover the money back you received.

Another very important lien matter to consider is a hospital lien. This is also a Statutory Lien. If you are treated within the first 72 hours after an injury the hospital can automatically file a lien. It is filed with the County Clerk and will pop up anytime you try to finance anything or buy or sell a house. This lien also has to be addressed at the time you settle your claim. The problem with these liens is they never bother to notify you they have actually filed the lien. You have to either call them or check with the County Clerk to see if they filed the lien.

There are other liens that may affect your total recovery in the case. If your bills were paid by Medicare, Medicaid, the United States Government (including "free" military care) you may be forced to pay back a portion of your settlement. These are called Statutory Liens because they are created by law and have to be dealt with or you will be sued.

An experienced Board Certified Personal Injury Trial Attorney will be able to determine if any of these liens exist. Also, there are many different ways to make sure the liens are valid and if so make sure they are only

paid what they are entitled to receive. Further, many times they will negotiate with an attorney they have dealt with before so that means the liens are addressed and you receive more money in your pocket.

**SO WHY NOT JUST SUE THE DRUNK DRIVER WHO
HAS NO INSURANCE?**

Sure, you can do that. But what does he have? He's only a teenager. He's not employed and you learn that he is now in jail for the DWI and can't even afford to pay for his own lawyer. He had to ask the Court to appoint one for him because he does not have any money to pay a lawyer. Even if you sue him and win, he can file for bankruptcy protection and never have to pay you.

**SO DO YOU HAVE ANY INSURANCE COVERAGE THAT
WILL PROTECT YOU?**

How much Personal Injury Protection Coverage (PIP) did you buy? How much Uninsured/Underinsured Motorist Coverage (UM/UIM) did you buy from your own car insurance company? Most clients we talk to have no idea how much, if any Uninsured/Underinsured Motorist Coverage they have.

We tell all potential clients to bring their own car insurance policy in and let us look at it. The large majority of them have rejected both the PIP and the UM/UIM protection because their agent told them it will be a lot cheaper to just buy liability coverage. No one ever explained to them the importance of buying lots of PIP UM/UIM motorist coverage.

PIP AND UNINSURED/UNDERINSURED MOTORIST INSURANCE

Personal Injury Protection (PIP) is the no fault insurance that pays for 100% of your medical bills and 80% of your lost wages. It is usually sold in the amounts of \$2,500.00, \$5,000.00 or \$10,000.00. This is the cheapest and best insurance to buy. I recommend you buy \$10,000.00 and more if they will sell it to you.

Even if you make a claim for your medical bills and lost wages under your PIP, the responsible party - that is the party that hit you and caused your damages - still has to pay for your full medical bills and lost wages. What PIP does is it gets your bills and wages paid much faster that the responsible party's insurance will pay you.

If you buy Uninsured Motorist insurance (UM) and a driver who has no insurance hurts you, then your insurance company will pay you damages up to the limits of UM coverage you bought. Since the other driver is uninsured, your company pays you. (Don't feel bad-you paid for this protection.)

UM coverage is also very important for another reason. If you are the victim of a "hit and run" and the other driver is never caught, your UM coverage will protect you.

Finally, your Underinsured Motorist Coverage (UIM) will protect you if the other party had less insurance than you did. If you get hit by someone who bought a low amount of insurance, say the limits of \$30,000.00, your own policy will provide you protection, over the underlying liability limits of the person that hurt you, up to the amount that you bought for yourself.

For example say you are hit in the rear and the driver that hit you only had the minimum required liability limits of \$30,000.00. Your medical bills from the accident total \$35,000.00. If you purchased \$100,000.00 of underinsured motorist coverage (UIM) you will have \$130,000.00 in total available coverage. (Their

\$30,000.00 liability coverage plus your \$100,000.00 UIM coverage.)

Why don't they tell you that? I recommend you review your policy immediately to see exactly what coverage you were sold.

SO JUST HOW MUCH PIP AND
UNINSURED/UNDERINSURED MOTORIST COVERAGE
SHOULD YOU BUY?

Buy as much PIP and UM/UIM coverage as your insurance company will sell you, plain and simple.

Your insurance company must OFFER PIP and UM/UIM coverage to you; however, they may not tell you how IMPORTANT it is. Since they don't explain the "reason why," you may have thought the agent was just trying to "sell you something you don't need."

Buy the highest limits you can afford.

WON'T TEN TIMES AS MUCH INSURANCE COST TEN TIMES AS MUCH?

Maybe you think if you have \$30,000 in liability coverage and you want \$300,000, your premiums will be ten times as much.

WRONG!

It can be confusing to get all the information you need to make informed decisions about how much insurance coverage you can afford, so we did a cost comparison of premiums charged by five large insurance companies. Here's what we found:

If you call your own insurance company about buying more coverage, you may find that the increase in your premium is not the same as the ones our research showed; however, you will be surprised that the increase is nowhere near five or ten times what you presently pay.

GEICO - The difference between \$30,000 and \$250,000 was about \$350 annually.

Allstate - The difference between \$30,000 and \$100,000 was about \$500 annually.

Progressive - The difference between \$30,000 and \$250,000 was about \$400 annually.

If you call your own insurance company about buying more coverage, you may find that the increase in your premium, is not the same as the ones our research showed; however, you will be surprised that the increase is nowhere near five or ten times what you currently pay.

State Farm - The difference between \$30,000 and \$500,000 was about \$400 annually.

Nationwide - The difference between \$50,000 and \$500,000 was, astonishingly, about \$100 annually (\$8.33 per month!).

Each of these companies has a web site where you can get sample premiums. We priced premiums in the summer of 2008 for a married couple in their mid-20s with good driving records. Every insurance customer is different. We show you these results to show you the POWER of a few extra dollars and the IMPORTANCE of increasing your UM coverage.

WHY DOESN'T THE INSURANCE COMPANY TELL YOU THIS?

Answer: Because it's a great deal for you and a rotten deal for them! Just do the math! You pay a little more money for a lot more protection and while the insurance company can find out a lot about you and price your liability coverage correctly -it can refuse to sell to you if you have a bad driving history - it can't do anything about the drunks driving around without insurance!

Insurance companies like security and certainty, and they get neither when they sell you high amounts of UM coverage.

Turn the page to find out exactly what you need to do now.

Take out your policy and review the "Declarations Page." It's the one that shows what coverage you have and what you pay for it. (If you can't figure it out, fax it to us at 817-335-3669.)

If it's anything less than \$1,000,000 (yes, one million dollars) then call your agent and ask this question: What would it cost me to upgrade my insurance to \$1,000,000 of liability and \$1,000,000 of UM/UIM coverage?

The agent will probably (1) suggest you don't need that much, or (2) suggest you buy an "umbrella policy." Don't accept these suggestions; just get them to price the coverage. Then, get them to price the coverage downward. For example, get them to price \$250,000, \$500,000, etc.

Make a choice and buy the additional coverage.

DO I HAVE TO HIRE AN ATTORNEY TO HANDLE MY CASE?

No. You do not need an attorney for every small injury case. In fact, our office does not even accept cases where there's little or no property damage or the injuries are minor. Why not? Simple. In the small case, the attorney fees and costs might leave little or nothing for you after your medical bills are paid, and we don't believe that would be fair to you.

However, there have been studies that hiring an attorney generally increases the settlement value. Specifically a 1999 study found that insurance companies, pay higher settlements to injured people who use an attorney than those who do not. The insurance industry performed a study to find out if people who had accident claims received more money in settlement by using an attorney than those people who settled on their own. The study was performed by the Insurance Research Council, a non-profit organization that is supported by leading property and casualty insurance companies across the United States. The mission of the IRC (IRCweb.org) is to advance the insurance industry's view on matters crucial to insurance companies. The IRC found that people who used an attorney received, on average, 3 times more money in settlement than those individuals who settled on their own.

SO, HOW DO I FIND A QUALIFIED PERSONAL INJURY ATTORNEY?

Choosing an attorney to represent you is an important task. The decision certainly should not be made on the basis of advertising alone. The Yellow Pages are filled with ads all of which say basically the same thing. You should not hire based solely on advertising. Anyone can buy a slick commercial, and many attorneys who have never handled a personal injury case have purchased large, expensive and very impressive looking ads.

How do you find out who in your local community is the best for your case? There are certain questions to ask that will lead you to the best person for your case no matter what type of claim you have. It will involve some time on your part, but that's OK because the decision you are making may be critical to the success of your case.

Personal injury claims, particularly in Texas, are much too specialized for someone who does not handle these cases regularly. Too many times I have been asked to look at cases that have been handled by general practitioners, tax lawyers, criminal lawyers and family law lawyers. That's just not good. Get a specialist. They are out there. You need to make sure you hire a Board Certified Personal Injury Trial Lawyer.

You should be aware that the insurance companies who defend personal injury and accident cases know who the attorneys are in your area who actually go into court to try cases and who do not. The insurance companies use that information to help evaluate their risk. One of the first questions some insurance adjusters will ask when a serious claim comes in is: who is representing the Plaintiff? I've heard insurance defense lawyers laugh as they head for trial against one of these non-personal injury attorneys! It's like shooting fish in a barrel for them.

If this information is important to the insurance company, shouldn't it be important to you?

**SO, HOW DO YOU FIND OUT WHO IS AN
EXPERIENCED PERSONAL INJURY ATTORNEY IN
YOUR AREA?**

1. Ask your friends or family if they have used an attorney for a personal injury case. Again not every lawyer has sufficient experience in handling personal injury claims so if they give you the name of a Family Lawyer or a Probate lawyer etc. don't plan on hiring them for your claim. You can call them and ask them to give you the name of a Board Certified Personal Injury Trial Lawyer.
2. Get a referral from an attorney that you know. He or she will probably know someone who does specialize in your area of need. If you need an attorney in an area of practice that we don't do, call us. We'll help you find the right lawyer for your case.
3. The Yellow Pages can actually be a good source of names. Understand three things, however: First, not everyone advertises in the Yellow Pages. Most of our cases come from referrals from other attorneys or from satisfied clients. In fact we only have a very small ad in the Yellow Pages. Second, be careful about the ads that say they do too many different specialties. No one can do everything well. Third, be careful about the full-page ads. This advertising may attract a lot of frivolous cases that can overwhelm an attorney. Make sure that the attorney you hire is selective enough with his or her cases that your important case does not become just one more file in the pile. We know several law firms that went out of business buried under the "weight" of full-page Yellow Pages ads.
4. Your local bar association probably has a lawyer referral service. Understand that lawyers have signed up and paid a fee to be listed in certain specialties. Their names come up on a rotating basis. This is another good source for an initial appointment. Just take the questions we talk about

here to that interview.

5. Interview several attorneys. Ask each attorney who else handles these cases in your area. If they won't give you any names, leave. Ask this question of each attorney. The names you see showing up on various lists of recommendations are probably good bets for attorneys doing these cases in your area on a regular basis.
6. Run from any attorney who calls you first.
7. Beware of "runners." A "runner" hangs out at the police station or listens to a police radio to "run" to accident scenes or hospital rooms to encourage victims to sign contracts with attorneys. They also pay for police reports and then call you repeatedly or even show up at your house with offers to get you "free" medical treatment and offer to get you to a lawyer. Not only is it unethical for an attorney to "run" cases but it is also illegal. Outrageous does not begin to describe this practice!
8. Here are factors and good points to look for and question your attorney about. Note that not every attorney will meet all of these criteria, but the significant absence of the following should be a big question mark.
 - * Experience - obviously, the longer you have been practicing a particular area of the law, the more you will know. Experience can be a big factor in many cases.
 - * Experience actually trying cases - ask the attorney how many cases he has actually tried.

Has he or she achieved any significant verdicts or settlements? The greater your number of cases actually tried and substantial verdicts and settlements achieved, the more likely the insurance companies will respect you. Past results are not a guarantee of the future, but past results do demonstrate some level of

experience and success.

- * Respect in the legal community. How do other attorneys and judges feel about this attorneys competence?
- * Board Certification - Texas offers a rigorous specialization process that tests and certifies lawyers. It requires a minimum number of trials and recommendations from judges and opposing attorneys as well as a very extensive testing process that covers every aspect of Personal Injury and Trial Law. Currently in Texas there are more than 83,000 licensed lawyers. Out of those only 8364 are Board Certified in any specialty and only a mere 1686 have met the qualifications for Personal Injury Trial Law. You can see there are a whole lot of lawyers that advertise they handle personal injury claims but very few are actually qualified by the Texas Board of Legal Specialization to be called a specialist in Personal Injury Trial Law. Ask any attorney you meet with "Are you Board Certified? If not why not?". For more information about Board Certification ask for our free brochure **WHAT IS A BOARD CERTIFIED PERSONAL INJURY TRIAL ATTORNEY.**
- * Membership in trial lawyer associations. In our area, you can certainly find a lawyer who is a member of the Texas Trial Lawyers Association (TTLA), the Tarrant County Trial Lawyers Association (TCTLA) the San Antonio Trial Lawyers Association (SATLA) and the American Association for Justice (AAJ). These organizations provide extensive education and networking for trial lawyers.

Once you have decided on an attorney, make sure you both understand your goals and you understand how the relationship between your attorney and you will work.

How will your attorney keep you informed about the progress of the case? Some attorneys send e-mails,

some send letters and copies of correspondence and pleadings in the case to the client. Your attorney should also take time to explain the "pace" of the case and in what time frames the client can expect activity to take place.

Find out who will actually be working on your case. Make sure that you and your attorney have a firm understanding as to who will be handling your case. There are a lot of things that go on with a case that do not require the attorney's attention. On the other hand, if you are hiring an attorney because of his or her trial skills, make sure that person is going to be trying your case for you.

WHAT DOES AN EXPERIENCED PERSONAL INJURY ATTORNEY DO FOR YOU IN A CASE?

Here is a more or less complete list of the tasks your attorney may be called to do in your case. Remember that each case is different, and that not all of these tasks will be required in every case. They are:

- * Initial interview with the client
- * Educate client about personal injury claims
- * Gather documentary evidence, including police accident reports, witness statements, medical records and bills
- * Analyze the client's insurance policy to see whether there are any coverages which the client has that may pay all or a portion of the medical bills while the claim is pending
- * Analyze the client's insurance coverages and make suggestions as to what coverages should be purchased for future protection
- * Interview known witnesses and get testimony preserved for the claim
- * Collect other evidence, such as photographs of the accident scene, property damage, pictures of the injuries, videos of the scene
- * Analyze the legal issues, such as comparative negligence
- * Talk to the client's physicians or obtain written reports from them to understand the client's condition fully
- * Analyze the client's health insurance policy or welfare benefit plan to ascertain

whether any money they spent to pay your bills must be repaid

- * Analyze the validity of any liens on the case. Doctors, insurance companies, welfare benefit plans and employers may assert that they are entitled to all or part of the client's recovery
- * Contact the insurance company to put them on notice of the claim, if this has not already been done
- * Decide with the client whether an attempt will be made to negotiate the case with the insurance company or whether suit shall be filed
- * If suit is filed, prepare the client, witnesses and healthcare providers for depositions
- * Prepare written questions and answers and take the deposition of the defendant and other witnesses
- * Produce to the defendant all of the pertinent data for the claim, such as medical bills, medical records, and tax returns
- * Set a trial date
- * Prepare for trial and/or settlement before trial
- * Prepare the client and witnesses for trial
- * Organize the preparation of medical exhibits for trial
- * Organize the preparation of demonstrative exhibits for trial
- * Prepare for mediation and/or arbitration

- * File briefs and motions with the court to eliminate surprises at trial
- * Take the case to trial with a jury or judge
- * Analyze the jury's verdict to determine if either side has good grounds to appeal the case
- * Make recommendations to the client as to whether or not to appeal the case.

After gathering all of the facts and medical records, and after your medical treatment has ended, your attorney will develop a settlement strategy with you and attempt to get your case settled with the insurance company. There are many reasons to settle a case, including the fact that we are living in a very conservative part of the country as far as jury verdicts go, your attorney fee will be less if your case can be settled, and your costs will usually be less than if the case goes to trial. Your attorney will help you analyze the insurance company's best offer and compare it to what you might net by going to trial. Of course, you must know that every case (even "obvious" cases) can be lost.

Sometimes, attempting to negotiate with the insurance company before filing suit is not a worthwhile endeavor. Insurance companies sometimes use pre-suit negotiation only to attempt to find out as much about you, your lawyer and your doctor as they can. It is generally a dangerous practice to wait until the statute of limitations has almost expired to file suit. I have seen other attorneys do this, only to find that the defendant they sued is either not the correct defendant or is now blaming someone else.

While there are legitimate reasons for delaying filing suit, there is no excuse for the practice whereby an attorney waits until the last moment to see if the insurance company will settle your case. Sometimes when inexperienced lawyers attempt to handle a personal injury claim and when the claims do not settle, they often try to find an attorney to file the case on time.

(I've received plenty of those last-minute calls. I reject them. I lead a balanced life and don't need to take on problems other attorneys have caused by their delay in taking action. Their inaction is not going to be my crisis. Some accident victims are ill served by hiring attorneys who are not Board Certified in the area of law their claim involves.

Once the lawsuit is filed, both sides engage in the legal process called discovery. Each party is allowed to investigate what it is the other side is going to say at trial. The defendant will be permitted access to your medical and work history, including your income records. You may have to give a deposition under oath and you may be required to submit to a medical examination by a physician of the defendant's choosing. The defendant is also subject to discovery. He will answer written and oral questions about his own background and he will have to give sworn testimony about the incident at issue.

WHAT CASES DO WE NOT ACCEPT?

- * Cases involving minor impact. Bumps and scratches on your rear bumper do not make for a good case in Texas.
- * Cases with less than \$2,000 of expected total medical bills and lost wages. Cases with lower damages than this can usually be settled on your own or with a less-experienced attorney. In calculating your medical bills, look at the full amount charged by your doctor, not the smaller amount actually "allowed" by the insurance company.
- * Cases with significant pre-existing injury in the same body part. If you have had three back surgeries before this accident, then the chance of a jury awarding you a substantial amount of money for your back injuries here is very low.
- * Cases where the statute of limitations will soon run. You have 2 years in Texas to file suit on a personal injury claim. If you wait until the time is almost up I will not take your case no matter what because I am not going to have a crisis at my office because you waited too long.
- * Cases where you were charged to be at fault in the accident.
- * Cases where you assumed the risk of your injury. Please don't call us if you spent three hours in a bar and let your drinking buddy drive or if you decided to test to see how fast your car could actually go.
- * Your case has already been filed by another attorney.
- * Cases where you have a significant prior criminal history. Sorry, no matter what your case involves Texas juries refuse to give any type of significant money to persons with a significant past criminal history.

All of this aside we represent lots of accident victims.
Our clients are positive thinkers, not whiners or
frauds.

FEWER CASES MORE TIME FOR YOU

My Law Firm - Personal Attention

When I started practicing Law over 26 years ago I recognized that most attorneys felt they were "too good" and "too educated" to actually deal with clients and listen to their needs. As time went by I also saw lawfirms turn into settlement shops or advertising mills where they spent so much time and money on just getting in new cases that they did not correctly work on any file and would force a client to settle for whatever an insurance adjuster would offer. Of course, all insurance companies keep very good records on what lawyers work hard on files, file suit and actually go to trial. So pretty soon the insurance companies figured out what lawyers will not work a file correctly and realized they could offer very little to the settlement mills and the cases would settle.

We are "different." We don't rely on a high volume of cases. We don't claim to handle every type of law under the sun. We don't want to. We don't need to.

Each year, we accept a limited number of serious injury, accident and disability cases from the hundreds of people who ask us to represent them. We are not a "TV advertising personal injury mill". Paralegals and assistants do not negotiate our cases with the insurance company. Fewer cases means more time for you and, we believe, better results overall.

We do not advertise on TV nor do we advertise with a large page in the Yellow Pages. We do not seek to handle thousands of cases at a time. We are not a personal injury mill or settlement shop. We work each case as it deserves and deal personally with each client. We don't take cases that a client can handle themselves and do not take a case merely because a prospective client feels they have been wronged. We discuss your claim in detail before we take it and will only take cases with merit where our clients need professional legal help.. Handling fewer cases means more time to spend on your claim and more time specifically for you. Our results

have shown that handling fewer files and spending more quality time in each file provides the best result possible on each claim.

Since 1984, Kerry H. Collins & Associates, P.C. has represented accident and injury claimants throughout Texas and the surrounding States. Most of our cases are referred to us by former satisfied clients and by other attorneys and health care professionals. If we accept your case and you cannot make it in to our office to meet with us, we will come to you, anywhere.

Do we take the case of every person that contacts us? No. If your case does not have merit under the Texas Court System we will tell you. I believe that if you do not have a case that can be won under Texas law, the best advice you can get is that you do not have a claim that can be won. If that is true, we will tell you. If you are better off handling a claim yourself without an attorney we'll tell you. But, if we accept your case, you can be assured that you will receive **personal attention**. I personally like to meet every client at the time they ask me to represent them. However, sometimes due to being in Court or out of town on another case I cannot. However we will make an appointment as soon as possible so that you and I can meet to specifically discuss your case. I am personally involved in every case. My office staff has years of experience handling all types of personal injury, and insurance related cases. You can rest assured your claim will be aggressively pursued, will be kept up to date on what is happening in your case, and, at the appropriate time, we will advise you as to whether you should settle your case or go to trial.

We will explain the entire claim process, as well as what happens if a case goes into suit, all fees and costs to you before we start working on your case. After we explain the case and we are able to obtain basic relevant information or documents about your case we will sit down together and decide on the best way to proceed with your case.

If you need to discuss your claim with a Board Certified Personal Injury Attorney call us or visit our website at

www.Kerrycollinslaw.com where you can get free legal information or e-mail me directly.

Please Note: I will not take your case if you are already represented! If you are already represented by an attorney, this book may raise questions for you. Ask your current attorney these questions. Everyone does things a little differently and we do not accept cases in which another local attorney has already been involved. If you are currently represented, use this book to increase your knowledge and to ask questions, but please don't ask us to take on your case. We won't.

This Book is NOT Legal Advice!

The Texas State Bar requires that I inform you that what is in this book is not legal advice. I'm not your lawyer until you and I enter a written agreement for me to be your lawyer. I know the arguments the insurance company will make and so should you even before you file your claim. I can offer suggestions and identify traps, but please do not construe anything in this book to be legal advice about your case, as each case is different and an attorney can only give you quality legal advice when he or she understands the facts involved in your specific case.

Kerry H. Collins & Associates, P.C. is located at 1301 Ballinger Street in Fort Worth. If you would like a free brochure entitled "What Is A Board Certified Personal Injury Trial Law Attorney?" please call (817)335-9700 or e-mail me at info@kerrycollinslaw.com or kcpc@txis.net. You can also visit my website for more free tips and other free legal booklets or a free ACCIDENT INFORMATION CARD.