

Medical Payments on Your Automobile Policy

The **medical payments** (also known as **Med Pay**) portion of an automobile policy pays for health care rendered by a licensed doctor or care ordered by a licensed doctor to any person in or near an insured automobile who is injured related to the use of the automobile.

Med Pay is one of numerous insurance options that a consumer can buy on their automobile policy. Liability insurance (which covers losses to people other than the driver and/or owner(s) of an automobile) and property damage insurance (which covers losses of property owned by people other than the driver and/or owner(s) of the insured automobile) are both required by law for the owner(s) to have in force at all times on any automobile driven on public roads. However, all other types of automobile insurance coverage are optional and are not required on any automobile.

These optional types of automobile insurance coverage include Med Pay, uninsured/underinsured motorist coverage, collision coverage, comprehensive coverage, towing coverage, rental car reimbursement coverage, etc. Although these are not required by law to be in force on an automobile driven on public roads, they are all important and necessary so as to protect a driver and/or owner(s) of an automobile from unexpected and potentially expensive losses.

Med Pay is one of the least expensive and best bargains you can purchase. It typically costs about \$10-15 per month for \$15,000 Med Pay coverage or more. We recommend \$25,000 coverage. It is such a great bargain that insurance agents often try to discourage people from buying it. Agents will say things like "you really don't need it because you have your HMO group health insurance." Don't believe anything said along these lines, because 1) you may have a passenger who does not have any health insurance, 2) group health insurance usually has deductibles and co-payments, and 3) group health insurance does not necessarily cover all types of health care (e.g. chiropractic, dentistry, etc.). Also, high limits of Med Pay usually allow for 3 (not just 1) years to get doctor's care from an accident or incident.

Med Pay has the benefit of quickly paying for necessary health care bills near the time of service. This can be very important for obtaining the care a person needs, because not all health care providers will wait to collect their fee at a point later in time for work they are to provide at the present time.

Not having Med Pay can leave you vulnerable to being sued, and being sued sooner than later. For example, if you as the driver/owner of your car sneeze and collide with a telephone pole and your passenger as a result of this crash needs \$20,000 worth of dental work, you are legally responsible and dentists will usually not wait to collect money later in time. Unless you are willing and able to pay for someone's \$20,000 dental bill quickly, you may find yourself being sued, and being sued sooner than later so that the injured person can get the care they need.

Med Pay covers an unlimited number of injured people in or around an automobile. For example, it will typically pay for health care bills to a bicyclist if they ride their bike into a car door that is being opened. Also, it will cover all occupants of a vehicle regardless of how many are in the vehicle. For example, if you have \$15k MedPay, each of the 5 occupants will have \$15k available to them as necessary in a case of a driver plus four passengers.

If you are an injured person as a result of someone else's fault, you will usually ultimately end up with more money in your pocket at the time of settlement or trial if you have Med Pay to pay health care bills, as compared to not having Med Pay.

Med Pay is extremely important for paying health care bills related to use of an automobile, pays these health care bills quickly, covers an unlimited number of people in or near the automobile, is inexpensive, and is an excellent bargain.

If you don't know whether you have Med Pay or not, and how much coverage of Med Pay you have, then you probably don't have it. You can get it added immediately to your insurance policy just by making a phone call to your insurance agent.

Using your Med Pay benefits will NOT cause your insurance premium to increase. Insurance companies can only increase your premium only if an accident or incident is your fault, or if they make the increase applicable to everyone insured across the state.

Get non-reimbursable Med Pay if it is available. Also, get Med Pay that does NOT have any deductibles or co-payments. Also, get Med Pay that is primary (in that it will pay health care bills first before any other insurance), and do NOT get Med Pay that is an excess policy unless that is the only kind of Med Pay offered by your insurance company (because it will only pay after ALL other health has first been billed and acted upon, which causes several months delay in payment).

ACTION STEP: We strongly recommend calling your insurance company to find out if you already have MedPay on your policy. If you don't have it, consider adding \$25,000 to have security and peace of mind.