

What is Personal Injury Protection (PIP) Coverage?

PIP coverage is a form of personal auto insurance that covers you, your family members and passengers in your car (“you”) in the event of an auto-related accident. PIP coverage is “no-fault.” In other words, it is designed to pay benefits, such as your medical bills, quickly and expeditiously regardless of who caused the accident.

Why Do We Recommend That You Obtain at Least \$10,000 or More in PIP Coverage?

Driving an automobile is an inherently dangerous activity. Auto accidents can have tremendously detrimental effects on people’s lives, health, and jobs. Making matters worse, there is no guarantee that the other party’s liability coverage will pay for all or part of your medical bills, or will even enable you to receive the care you need.

For this reason, we recommend that you obtain at least \$10,000 in PIP coverage (or more).

PIP is a form of “no-fault” coverage. Unlike liability, PIP is designed to pay benefits, quickly and expeditiously, regardless of who was at fault. For this reason, it provides greater assurance that in the event of an accident, you and your loved ones will be able to receive the quality health care you need.

How Much Does PIP Coverage Cost?

Many individuals are quite surprised to discover how inexpensive PIP coverage is. We encourage you to call your agent to discuss this very important form of coverage further. When compared to the peace of mind that you will receive knowing that you are more protected, the costs of PIP coverage may seem slight indeed.

Do I Already Have PIP Coverage as Part of My Policy?

The best way to discover whether you have PIP coverage is to call your agent today. You may also wish to check the declaration sheet that you received from your auto insurance company.

Based on Texas Insurance Code, Article 5.06-3, insurance carriers are supposed to automatically include at least \$2,500 in PIP coverage in your auto policy unless you agree, in writing, to waive the coverage.

We encourage you to call your agent today to see if you are covered under PIP.

Do I Really Need PIP Coverage If I Already Have Health Insurance?

Unlike health insurance, PIP coverage is uniquely designed for covering you, your family, and your passengers in the event of an auto accident.

Here are several factors you may wish to consider in your decision to obtain or increase PIP coverage.

First, health insurance carriers will often times seek to be reimbursed from your personal injury settlement, if and when your settlement occurs. As noted below, PIP is quite different (see below, *“If I File Medical Bills With My PIP Coverage, Will the PIP Carrier Request a Refund...”*)

Second, health insurance generally does not cover such expenses as lost wages – income you may lose as a result of your accident. PIP, however, does cover lost wages.

Third, you may have a high deductible with respect to your health insurance. With PIP, there is no deductible. PIP is supposed to pay 100% of reasonable and necessary medical expenses up to the limits of your coverage.

If I Was in an Accident, and Did Not Have PIP Coverage at That Time, Does This Mean I am Not Owed PIP Benefits?

Believe it or not, just because you may have chosen not to include PIP coverage in your auto policy, does not mean you are not owed any PIP benefits in the event of an accident!

For example, if you are in someone else’s vehicle at the time of the accident, and that vehicle is covered by PIP, you may be able to file for PIP benefits.

Here’s another example. If you are involved in an accident in another state which requires PIP coverage, your policy may automatically provide you PIP benefits up to the minimum limits of that state.

There are a number of other situations where you may be entitled to PIP benefits even though you do not normally carry PIP coverage.

If you have any questions whether you are covered by PIP in the event of an accident, we recommend that you consult with your agent, an attorney, or other expert.



If I File Medical Bills With My PIP Coverage, Will My Auto Insurance Rates Increase, or Will the Carrier “Non-Renew” My Policy?

The Texas Department of Insurance has published a very helpful document on its web site which addresses this exact issue – “Automobile Insurance Made Easy,” located at www.tdi.state.tx.us.”

Rates. According to the TDI publication, a carrier “can add penalties - called surcharges - to your premium for ... accidents resulting in property damage of \$1,000 or more.” The carrier can apply surcharges in the amount of 15%-20% for one accident (provided you are deemed to be at-fault) and 35% or more if you are involved in two or more accidents.

Non-Renewal. According to the TDI publication, “In Texas, a company cannot refuse to renew your policy because of ... claims or accidents that cannot reasonably be blamed on you, unless you have more than one of these claims in a 12-month period.”

For more information, we recommend that you visit the TDI’s web site.

If I File Medical Bills With My PIP Coverage, Does That Relieve the At-Fault Party From Responsibility?

If you were involved in an accident caused by the driver of another vehicle, the liability coverage associated with that other party is *supposed* to pay the damages you suffer regardless of whether you have medical insurance or PIP insurance. The fact that you have PIP coverage or file claims with PIP coverage does not relieve the other liability carrier from its responsibilities.

If I File Medical Bills With My PIP Coverage, Will the PIP Carrier Request a Refund When My Case Settles?

Texas Insurance Code, Article 5.06-3(c) appears to address this very question. The section provides in part:

“...[PIP] benefits ... shall be payable without regard ... to any collateral source of medical ... benefits. An insurer paying [PIP] benefits ... shall have... no claim against any other person or insurer to recover any such benefits by reason of the alleged fault of such other person in causing or contributing to the accident.”

Does Your Clinic Charge a Fee for Filing My Medical Bills With the PIP Carrier?

No. Our office does not charge for filing your PIP. We file the claims as a service to you.

In many instances, your right to PIP benefits may not be disputed. Filing and obtaining PIP benefits may be as simple as filling out and submitting a claim form with the carrier.

Before having someone else file claims for you, we recommend that you ask whether there will be a charge for such service and how much.

Again, if you wonder why we recommend PIP coverage so highly, or have any questions regarding this brochure, call us at the number below. We also recommend that you speak with your agent today and review the resources listed in this brochure.

PIP Words of Wisdom

For the Protection of You, Your Family, and Your Passengers

When purchasing auto insurance, always be sure to request PIP (Personal Injury Protection) coverage.

PIP is an excellent form of medical coverage for you, your family, and your passengers in the event of an accident. PIP will help to cover reasonable and necessary medical bills regardless of whether the accident is your fault or not. There are other forms of medical coverage, but understand that none of them has all of the positive factors of PIP.

If you wonder why we recommend PIP coverage so highly, or have any questions regarding this coverage, call us at the number below. We also recommend that you speak with your agent today and review the resources listed in this brochure.

Drive safely!

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