MARTIN & JONES PLLC
Attorneys at Law

North Carolina is an "at-fault" state, which means that people who are injured in car accidents must pursue their claims for compensation against the driver who caused the accident. Some states, such as Florida, are "no-fault" states, which means that injured parties seek compensation from their own insurance.

Because it is an at-fault state, North Carolina law requires all drivers to purchase auto insurance with a minimum coverage of $30,000 for bodily injuries per person and $60,000 per accident. The purpose of this law is to protect anyone who is injured in a car accident due to another driver's negligence. This protection covers both drivers and passengers in the event of an accident.

Despite mandatory insurance requirements, passengers remain vulnerable in the event that they are injured in an accident. A car accident lawyer can help you navigate the complexities of the insurance landscape if you have been injured as a passenger and need to pursue compensation for your losses.

How Insurance Will Provide Coverage if the Other Driver Caused the Accident

People are most often seeking compensation when the other driver is at fault for the accident, so in some ways, this is the most straightforward scenario for injured passengers. An example will help illustrate how insurance applies to a car accident in North Carolina:

- Sheila and Michael are involved in a car accident. It is determined that Michael is at fault because he ran a stop sign. Sheila is injured, as well as her passenger, Mary. Sheila's medical expenses total $20,000. Mary's injuries are less severe, so her treatment costs only $5,000.
- Because Michael is at fault, Sheila and Mary can pursue a claim against Michael's insurance. Michael carries only the minimum insurance required. However, his coverage will be sufficient because there is $60,000 worth of coverage for both Sheila and Mary's injuries.

Keep in mind that both Sheila and Mary are entitled to compensation beyond their medical expenses including their lost wages and pain and suffering. Things can become much more complicated if the other driver does not have

sufficient insurance to cover all the losses suffered by both Sheila and Mary.

What if the Driver of the Car You Were Riding in Caused the Accident?

A common but often overlooked scenario occurs when the passenger of the at-fault driver is injured. In this situation, the passenger would not pursue a claim against the other driver but against the driver of the car they were riding in. Let's modify our example above:

- Sheila gets into a car accident with Michael when Sheila makes an illegal left turn. Mary suffers serious injuries as a result of the accident.
- Because Sheila is at fault for the accident, Mary would pursue a claim against Sheila for compensation to cover her medical expenses, lost income, and pain and suffering.

Hopefully, Sheila actually has the insurance she is required to carry by law, and she has purchased enough coverage to cover all of Mary's losses. If Sheila does not have insurance or does not have sufficient coverage, Mary may want to consider contacting an experienced car accident lawyer to discuss her case.

What if the At-Fault Driver Does Not Have Insurance or Doesn't Have Enough Insurance?

Despite being required to be insured, there are many drivers on the road who are *un*insured. As a result, North Carolina also requires all drivers to carry uninsured motorist (UM) coverage in the following minimum amounts:

- $25,000 for property damage
- $30,000 for bodily injury to a single person
- $60,000 for bodily injury to all persons in an accident

These are the same amounts required in a basic liability policy. In the event of an accident with an uninsured motorist, the injured motorist would pursue a claim under the UM coverage of their own auto insurance policy.

Drivers can also purchase underinsured motorist (UIM) coverage that applies in the event that the at-fault driver does not have *sufficient* insurance to cover the entire claim. UIM coverage can be purchased in varying amounts and provides compensation only once the at-fault party's liability insurance has been exhausted.

Passengers may be able to pursue a claim against their driver's UM or UIM policy in the event that the other driver is at fault and either does not have insurance or does not have enough coverage. But what can passengers do when there is no insurance or there isn't sufficient insurance to cover their claims?

When Passengers Can Make a Claim Against Their Own Auto Insurance

As we work through various accident scenarios, it becomes apparent that passengers may face a very significant issue if there is no insurance or there isn't enough insurance to pay their claim. For example:

- The passenger's claim exceeds the amount of the at-fault driver's liability coverage
- The passenger's claim exceeds the amount of their driver's UM or UIM coverage
- The passenger's driver does not have insurance and is at fault for the accident

In these situations, the passenger may be able to look to their *own* auto insurance policy to cover their losses *under their own UM or UIM coverage*. Injured passengers should remember two important details:

1. UIM coverage is not mandatory like UM coverage, it must be added to your auto insurance policy; and
2. UIM will only provide coverage once the at-fault driver's liability policy has been exhausted.

As a result, most passengers can pursue claims for compensation under their own UM policy. If they purchased UIM coverage, they can pursue a claim under their UIM coverage once the at-fault party's insurance has been exhausted.

Passengers Can "Stack" Coverage

Injured passengers should also be aware that they can "stack" or combine coverage available under various policies. In other words, they may be able to collect compensation under any combination of the other driver's insurance, their driver's UM or UIM coverage, and their own UM or UIM coverage. For example:

- Sheila and Mary are severely injured in an accident caused by Michael. Mary incurs $100,000 in medical expenses. Michael does not have insurance, so Mary can pursue a claim under Sheila's UM coverage as well as under her own UM coverage.
- Alternatively, let's say that Michael has insurance but only in the minimum amounts. Sheila also incurs $100,000 in medical expenses, so together, Sheila and Mary's claims for medical expenses cost $200,000. Michael's insurance would cover the first $60,000. If Sheila or Mary has UIM coverage, Mary could pursue claims under either or both policies.

Have You Been Injured as a Passenger? Contact Martin & Jones Immediately

If you have been injured in a car accident, you need to take immediate action to protect your right to compensation. We can help you figure out how to proceed with your claim so that you can get the compensation you need. Call us at 800-662-1234 or contact us online to schedule a free consultation.

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