

## **Do You Drive A Car?**

If you drive a car, you need automobile insurance. We all know that, and have for some time.

***So what is different?*** What's new is that the legislature completely rewrote the auto insurance laws this year. As of July 1, 2003, Colorado's automobile insurance laws have totally changed.

***Is insurance required?*** Yes, it is still mandatory that you have automobile liability insurance. If you do not, you are driving illegally.

***How much insurance should I buy?*** This is where it gets a little bit tricky. Before July 1, the minimum liability insurance required was \$25,000 per person, \$50,000 per accident. Technically, this remains the same. However, you should buy more.

Liability coverage protects your assets and covers your liability if you cause an accident. Our office recommends a minimum of \$100,000 / \$300,000 to our clients. You should buy more if you have substantial assets, have a good income, or are well set in retirement. The "marginal cost" of increased liability coverage is really quite low.

***What if I am injured in an automobile accident?*** Good question. Under the new law, you clearly lost protection if you become injured in an automobile accident. Before July 1, your own insurance company paid your medical and rehabilitation expenses - up to \$100,000 - regardless of who caused the accident. The 2003 legislature has taken that away. Now, your policy need not

pay for your medical treatment if you are injured in an automobile accident. That's right. Your own automobile insurance no longer needs to pay for your or your family's medical treatment and hospitalization.

***What should I do?*** You are now pretty much on your own to shop for, and buy, the best insurance coverage you can find. Talk to your agent. He or she is there to assist you. But you need to ask the right questions.

- How much liability coverage do I need? If you are told "the minimum," move on.
- Do you offer medical coverage? If so, how much, and what does it cover?

We still do not know what direct medical insurance will be offered by insurance companies doing business in Colorado. It will likely vary.

***What else can I do?*** Under the new law, you need to look out for yourself. At the very least, you need to do two other things . . .

- Buy the highest amount of *uninsured* and *underinsured* motorist coverage available. This is the same as buying liability insurance for the bad driver who runs into you. Since your own insurer is no longer required to pay your medical and hospital bills, you will now have to look to the guy or gal who - drunk or otherwise - runs into you.

Because that person may not have insurance, you need to buy insurance for that uninsured driver yourself. Uninsured and underinsured motorist coverage is both

the cheapest and most important automobile insurance you can buy. Now, more than ever.

- *Obtain other insurance.* You need to have other “non-automobile” medical insurance in place. If your employer offers a medical plan, sign up - even if you have to pay all or part of the premiums. Buy private insurance if your employer doesn’t provide a health plan.

The bottom line is that, if someone smacks into your car between here and Colorado Springs, your own automobile insurance policy may do you no good.

Ask your local insurance agent to recommend what is best for you. Make sure that you have ample liability coverage, the maximum amount of uninsured and underinsured motorist coverage available, and direct “med pay” coverage in place.

*This column, written on behalf of the Fremont-Custer Counties Bar Association to keep you better informed of your legal rights, has been prepared by John A. McDermott of the McDermott Law Firm, Cañon City, Colorado.*