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What Happens If the At-Fault Driver Is Uninsured or Underinsured in New Jersey?

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A car accident can leave victims facing medical bills, lost income, vehicle repairs, and significant stress. Most people expect the at-fault driver's insurance company to cover these losses. However, what happens when the driver who caused the car accident has no insurance or carries only minimal coverage?

Fortunately, New Jersey drivers may have options through their own insurance policies. Understanding how uninsured motorist (UM) and underinsured motorist (UIM) coverage works can help you protect your rights and recover compensation after a serious car accident.

Understanding Uninsured Motorist Coverage

Uninsured motorist coverage is designed to protect you when the driver responsible for the accident does not have valid auto insurance.

This type of coverage may apply if:

- The at-fault driver has no insurance policy
- The driver involved in a hit-and-run accident cannot be identified
- The at-fault driver's insurance company denies coverage
- The responsible driver is operating a vehicle without required insurance

Instead of pursuing compensation from the uninsured driver personally, you may be able to file a claim through your own insurance company under your uninsured motorist coverage.

What Is Underinsured Motorist Coverage?

Underinsured motorist coverage applies when the at-fault driver has insurance, but the available coverage is insufficient to fully compensate you for your damages.

For example:

- Your accident-related losses total $150,000
- The at-fault driver only carries $50,000 in liability coverage
- There is a $100,000 gap between your losses and the available insurance

In some situations, your underinsured motorist coverage may help bridge that gap, depending on the terms and limits of your policy.

Why This Matters After a Serious Car Accident

Many injuries result in expenses that quickly exceed minimum insurance requirements.

Serious accident injuries may include:

- Traumatic brain injuries
- Spinal cord injuries
- Multiple fractures
- Internal injuries
- Permanent disabilities

In addition to medical treatment, victims may face:

- Lost wages
- Reduced earning capacity
- Ongoing rehabilitation
- Pain and suffering
- Future medical costs

When the at-fault driver's available insurance is limited, these losses can create significant financial challenges.

New Jersey's Insurance Requirements

New Jersey drivers are required to carry automobile insurance, but not every driver complies with the law. Additionally, some drivers purchase policies with relatively low coverage limits.

As a result, accident victims may discover that the available insurance is not enough to cover serious injuries and damages.

This is one reason uninsured and underinsured motorist coverage can be an important part of an auto insurance policy.

Can You Still Recover Compensation?

Possibly. Depending on the circumstances, compensation may be available through:

1. Your uninsured motorist coverage
2. Your underinsured motorist coverage
3. Other applicable insurance policies
4. Additional responsible parties, if another person or entity contributed to the accident

Every accident presents unique facts, and determining available sources of recovery often requires a detailed review of insurance policies and liability issues.

Steps to Take After Discovering the Driver Is Uninsured or Underinsured

If you learn that the at-fault driver lacks sufficient coverage, consider taking the following steps:

1. Seek Medical Attention: Your health should remain the top priority. Prompt medical treatment also creates records documenting your injuries.

2. Preserve Evidence: Keep copies of the following items

- Police reports
- Medical records
- Photographs of the accident scene
- Witness information
- Insurance communications

3. Notify Your Insurance Company: Your insurer may need timely notice if you plan to pursue a UM or UIM claim.

4. Speak With an Attorney: Insurance coverage disputes can become complicated. An attorney can evaluate available coverage, investigate additional sources of recovery, and help protect your interests throughout the claims process.

Challenges That Can Arise During UM and UIM Claims

Many people assume their own insurance company will automatically pay a claim. However, UM and UIM claims can still involve disputes regarding:

- Liability for the accident
- The severity of injuries
- Medical treatment needs
- Damages and compensation
- Policy interpretation

Because significant amounts of compensation may be at stake, these claims often require careful review and negotiation.

Frequently Asked Questions

Can I file a claim against my own insurance company?

Yes. Uninsured and underinsured motorist claims are typically made through your own insurance policy when applicable coverage exists.

Does UM coverage apply to hit-and-run accidents?

In many situations, uninsured motorist coverage may provide protection when the at-fault driver cannot be identified after a hit-and-run crash.

What if my injuries are worth more than the at-fault driver's policy limits?

Underinsured motorist coverage may provide additional protection if you carry that coverage and your damages exceed the at-fault driver's available insurance limits.

Do I need an attorney for a UM or UIM claim?

While not legally required, legal guidance can be helpful when significant injuries, complex insurance issues, or disputed claims are involved.

Explore Your Legal Options After an Uninsured or Underinsured Driver Accident

If you were injured in a New Jersey car accident and discovered the at-fault driver has little or no insurance coverage, you may still have options. Understanding the insurance policies involved and identifying all potential sources of compensation can be critical to protecting your financial future.

The attorneys at Wilentz, Goldman & Spitzer, P.A. help injured individuals evaluate their rights after serious motor vehicle accidents. Contact our Personal Injury attorney Barry A. Cooke today to discuss your situation and learn more about your available legal options. **Call us today for a consultation.**

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