

WHAT YOU NEED TO KNOW... THE MYTH OF “FULL INSURANCE COVERAGE”



When a client comes to our firm following an automobile accident, it is not uncommon for that person to be under the impression that their insurance company sold them “full coverage.” In fact, it is a statement that we hear all the time. Unfortunately, very few drivers actually know what coverages they have, and many are disappointed to find out that the policy they have paid for is lacking.

Florida is considered a “no fault” state. The term “no fault” means that we have an insurance system in which each driver’s own insurance company is supposed to pay for their losses, regardless of who is at fault for the accident. In order to ensure each driver has minimum coverage available, Florida has made Personal Injury Protection, or “PIP” coverage mandatory with minimum limits of \$10,000. However, in many cases an individual will suffer losses in a collision that are in excess of the no fault or “PIP” benefits of \$10,000. The question then becomes, who will pay for those losses?

Many of our clients are shocked to find out that bodily injury liability coverage is not mandatory in the state of Florida. Well, what does that mean to you? Essentially, it means that another person can cause an accident in which you sustain catastrophic injuries, and it is perfectly legal for that person to have zero coverage to pay for your losses. Yes, you read that correctly, zero liability coverage is legal. Unfortunately, as a result, a good number of drivers on Florida’s highways do not carry any bodily injury liability insurance and many who do have this coverage have very low limits.

So then what can you do to protect yourself? In Florida, you can protect yourself by purchasing Uninsured/Underinsured Motorist coverage as part of your own automobile policy. Many of our clients who are under the mistaken impression that they were sold “full coverage” by their insurance agent find out that they do not have Uninsured/Underinsured Motorist coverage.

Insurance companies who sell insurance in Florida are required to offer Uninsured/Underinsured Motorists coverage, but this coverage is not mandatory and unfortunately many people reject this coverage, as it is not adequately explained to them.

So, let’s go back to the example of the driver that hits you and has no bodily injury liability coverage to compensate you for your losses. If at the time of the accident you have Uninsured/Underinsured Motorist coverage on your policy, then that coverage steps in and can pay for your losses up to the coverage limits. So don’t be fooled by the myth of “full coverage,” make sure you have Uninsured/Underinsured Motorist coverage on your policy, and purchase as much Uninsured/Underinsured coverage as you can afford.



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