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Insurance Education Seminars

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AUTO MEDICAL PAYMENTS . . . YES? OR NO?

As she spoke, I was impressed with her desire to put the injuries she had received 18 months ago in the past. She has some “good days,” but she also continues to have “painful days” and faces uncertainty about future surgery. Continuing to plague her are the over \$50,000 of un-insured medical bill she owes. Her credit has been jeopardized even though the driver responsible for the collision has over \$1,000,000 of liability insurance.

“The hospitals understand that eventually we should collect these bills from a settlement or a judgment in court, but they can’t continue to wait.” she explains. “I just want to get them paid, and it looks like the insurance company is using these bills as leverage to get me to settle for far less than I am entitled to,” she sighs.

As I listen to her story, I remember the comments of the certain consumer experts who encouraged auto policyholders to “drop” medical payments coverage so they would not have duplicate coverage. Of course, that may have been good advice for saving auto premiums, if a person had group medical insurance. But what happens if the group medical coverage suddenly is not there as in the case of my friend with \$50,000 of medical bills?

The company she worked for became financially troubled and stopped paying the employees group insurance. All of her hospital bills were submitted for payment by the hospital, but soon became her responsibility when there was no coverage.

Loss of options seems to be facing her. She is working; she is trying to do the best she can. If she could only pay the hospitals and the doctors, it would remove a large amount of stress from her life. Would the story be different if she had \$5,000 of medical payments coverage? No, but if she had chosen \$50,000 she would have had so many more options.

As a consumer it is your choice. To make an intelligent decision, ask the right questions of your agent about the various levels of auto medical payments coverage. Ask about the annual premium for each level of coverage and be guided by your understanding of the risk you and your family face.

What is the best solution?

- 1. Evaluate the Risk you face*
- 2. Don’t risk a lot (assets) for a little (premium)*
- 3. Consider the odds*
- 4. Don’t risk more than you can afford to lose*

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