

# Law Bulletin

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## **TIPS AND TRAPS IN AUTO ACCIDENTS**

*By Michael L. Roberts*

Recent changes and developments in automobile insurance law and related issues can create problems for the unwary who are dealing with the consequences of automobile accidents.

- If you are hurt by another driver's negligence, you may be able to recover from the other driver's liability coverage and also from the "underinsured motorist" coverage from your own policy. However, under Alabama court decisions, if you are injured and you settle with the negligent person's liability insurance company without taking certain affirmative steps and procedures with respect to the underinsured motorist coverage, you can automatically lose your entitlement to additional coverage and benefits that might have otherwise been available.
- A recent case has held that, when an automobile insurance company has one of the "named insured" persons on the policy sign a rejection form for uninsured/underinsured motorist insurance, that does not necessarily mean that this coverage is wiped out as to other persons who might be entitled to recover under that policy. Therefore, if an insurance company says there is no coverage, the documents ought to be examined in light of this new case to see whether that is really consistent with current law.
- If you are injured by more than one negligent party (such as in a multi-vehicle accident, or where both a negligent driver and his employer are legally responsible for an accident), a settlement with one of these responsible parties might accidentally wipe out your rights against the other responsible party, unless a certain type of release document, called a "pro tanto" release is used.
- Health insurance plans or agencies, such as Blue Cross or Medicare, may claim they must be reimbursed (called "subrogation") out of auto insurance recoveries. However, there are steps that may be taken that can reduce, under certain circumstances, the amount that has to be repaid or reimbursed.
- It is important to notify your own auto insurance company as soon as possible after a wreck, whether or not the wreck was your fault. If you wait too long, the insurance company might later deny benefits or coverage, saying that you were supposed to notify them earlier.

- If you or a family member are uncertain of your rights with regard to an automobile accident, it is always wise to consult an attorney.

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The lawyers at Cusimano, Keener, Roberts, Kimberley & Miles, P.C. , represent consumers, workers, and small businesses.

Michael L. Roberts has practiced law in Gadsden for twenty-five years. He is the author of the two-volume book *Alabama Tort Law*, published by LEXIS November, 2004. This book's first edition was originally published in 1990, and it is used as a resource in law offices, law schools, and in other legal fields.

Cusimano, Keener, Roberts, Kimberley & Miles, P.C.  
153 South Ninth Street  
Gadsden, Alabama 35901  
(256) 543-0400  
Fax: (256) 543-0488

Questions or comment may be sent to: [mlr@alabamatortlaw.com](mailto:mlr@alabamatortlaw.com)

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