



Safe Choices When Purchasing Auto Insurance



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ing an uninsured automobile, you will not be permitted to recover any economic or non-economic damages from the careless driver who caused the accident, even if you were not at fault.

Q *What type of policy do I chose when buying or renewing?*

A You are required to choose either a Standard Policy or a Basic Policy.

Q *What is a Standard Policy?*

A A Standard Policy provides liability coverage to protect your assets (your property and your income) if someone makes a claim against you. This is the amount of money that your insurance company will pay to someone who is injured by you, by a resident family member or by the driver of your car. In addition, a Standard Policy provides uninsured motorist coverage if you or a resident family member are injured by a driver who is uninsured.

Q *What are the policy limits for a Standard Policy?*

A The minimum liability and uninsured motorist limits under a Standard Policy are \$15,000 per

person/30,000 per accident for bodily injury and \$5,000 for property damage. However, you may purchase higher limits of liability and uninsured motorist coverage up to a single limit of \$500,000.

Q *Should I purchase a Standard Policy?*

A Yes. A Standard Policy provides the best insurance coverage to protect your assets if you are sued and to provide compensation to you and your resident family members if you are injured.

Q *What is a Basic Policy?*

A A Basic policy provides minimal coverage:

§ A Basic Policy does not provide liability coverage if someone makes a claim against you for a bodily injury.

§ A Basic Policy provides only \$15,000 of medical expense benefits if you or a resident family member is injured (up to \$250,000 for brain or spinal cord injury)

§ A Basic Policy does not provide uninsured motorist coverage if you or a resident family member are injured by a careless driver who is uninsured.

§ A Basic Policy does not require your insurance company to provide you with an attorney to defend you if you are sued, even if you are not at fault for the accident.

Q *Should I purchase a Basic Policy?*

A No. Always buy a Standard Policy as opposed to a Basic Policy. A Basic Policy does not provide adequate insurance coverage to protect your assets if you are sued and does not provide adequate compensation to you and your resident family members if you are injured.

My recommendation is to never buy a Basic Policy.

CLAIMS FOR PERSONAL INJURIES

Q *If I am injured, can I make a claim or file a lawsuit against the careless driver who caused the accident?*

A If you purchase a Standard Policy, you are required to elect a "lawsuit option" that will determine if you have the right to make a claim. You must select either the "limitation on lawsuit" option or the "no limitation on lawsuit" option. If you purchase a Basic Policy, you are assigned the "limitation on lawsuit" option.

Q *What is the "limitation on lawsuit" option?*

A The "limitation on lawsuit" option (also known as the "verbal threshold") eliminates the legal rights of yourself, your spouse and any children who reside with you to make a claim for monetary damages or to file a lawsuit against a careless driver unless you sustain one of the following types of injury:

- Type 1 – Death
- Type 2 – Dismemberment
- Type 3– Significant disfigurement or scarring
- Type 4– Displaced fractures
- Type 5– Loss of a fetus
- Type 6– Permanent injury (when a body part has not and will not heal to function normally)

Q *What is the "no limitation on lawsuit" option?*

A The no limitation on lawsuit option (also known as "no threshold" or "zero threshold") permits you to make a claim or to file a lawsuit against a careless driver for any and all personal injuries.

Q *Who benefits if I purchase a policy with the "limitation on lawsuit" option?*

A The careless drivers who cause accidents will benefit because

they may have no responsibility of your economic loss or your personal injuries. The insurance companies who provide coverage for careless drivers will benefit because they may not have to pay any monetary damages for your injuries.

Q *How much coverage do you recommend?*

A The law requires the owner of every automobile registered or principally garaged in New Jersey to purchase an automobile insurance policy with liability limits and uninsured motorist limits of \$15,000 per person/\$30,000 per accident. However, insurance companies are required to offer coverage up to at least \$250/500,000 split limits or \$500,000 single limits. Most insurance companies offer several choices within this range.

Q *How do I select the type and amount of coverage that I want to purchase?*

A You will receive a Coverage Selection Form with your application for a new policy or with the renewal of an existing policy. You must sign the form and return it to your insurance agent or insurance company. You should discuss your choices with your insurance agent or your attorney.

My suggestion would be to purchase liability coverage and uninsured/underinsured motorist coverage with single limits of \$500,000 or the highest limits that you can afford. If you have sufficient funds, I would suggest that you explore the option of purchasing an umbrella policy.

**The information contained here is intended for informational purposes only and should not be construed as legal advice. Seek competent legal counsel for advice on any legal matter.*

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MICHAEL L. TESTA, Jr., was born and raised in Vineland, New Jersey. Michael was admitted to the New Jersey Bar in 2001. He was also admitted to practice before the United States District Court of New Jersey. After graduating from Villanova University, Villanova, PA 1998 he obtained his law degree from Villanova School of Law, Villanova, Pa. in 2001. He recently furthered his education at Temple University's nationally recognized Beasley School of Law, (LL.M. Trial Advocacy Degree 2006). His professional associations include Cumberland County Bar Association, Association of Trial Lawyers of America-NJ, Board of Governors; ATLA (National) for the Young Lawyers Division, Board of Governors. Other memberships include the Vineland Lions Club, Acting Parliamentarian; Vineland Downtown Improvement District/Main Street Organization, Chairman of the Board of Directors; The Vineland Regional Dance Company, Board Member; The Italian American Benevolent Association and The North Italy Beneficial Association.

Michael is a member of the firm of Basile & Testa, PA., Vineland, NJ. His areas of practice are Civil Litigation, Personal Injury, Criminal Defense and Municipal Court.