

UNIT 4 PART B – MEDICAL PAYMENTS AND PART C – UM/UIM

In Unit 4, you will learn about Part B of the Personal Auto Policy. Part B of the ISO Personal Auto Policy is about Medical Payments Coverage. This coverage may help pay for the medical expenses of the policyholder, or their passengers, if they are injured in a car accident, regardless of who caused the accident. In some states another coverage, Personal Injury Protection, is required and either works alongside Part B – Medical Payments Coverage or completely replaces it.

You will also learn about Uninsured and Underinsured Motorists Coverage, which provides protection for the “insured” when the vehicle or driver that hits them does not have, or maybe doesn’t have enough, Liability Coverage.

The material covered in this section is an important part of the Certification Exam, so be sure to take good notes.

You will also learn about integrity in the insurance industry, especially as it involves medical payments coverage decisions. Take the opportunity to learn how to make coverage decisions with a Personal Lines client.

LESSON 4.1 MED PAY AND PIP

NOTES GUIDE

This lesson focuses on Part B of the ISO Personal Auto Policy. In some states that will be Medical Payments Coverage, or Med Pay, while in others, Personal Injury Protection, or PIP, may be added to or completely replace Med Pay.

PART B – MEDICAL PAYMENTS COVERAGE INSURING AGREEMENT

A. We will pay reasonable expenses incurred for necessary medical and funeral services because of "bodily injury":

1. Caused by an accident; and
2. Sustained by an "insured".

We will pay only those expenses incurred for services rendered within three years from the date of the accident.

b. Furnished any "family member". However, this

7. Sustained wh reasonable br to do so. This "family memt which is owne
8. Sustained wh is being used

PART A – Liability pays for damage and injury to OTHERS.

PART B – Medical Payments Coverage

Medical Payments and/or Personal Injury Protection are coverages the client can purchase or which may be mandatory in some states.

PART B coverages pay for injuries and related expenses to whom?

As an insurance professional you will need to understand both Medical Payments and Personal Injury Protection to help clients make informed decisions regarding the coverages that are best for them. You'll also need to know the coverages that are mandatory in your state.

It is important to know that Part B – Medical Payments Coverage is often changed by each state's **Amendment of Policy Provisions** endorsement. Regardless, this coverage pays medical expenses for people in a client's vehicle who are injured as the result of an accident. Most importantly, for a you or a "family member," this may be the only coverage available for medical expenses—particularly for an at-fault accident. And unlike Liability Coverage, the Med Pay limit selected and shown on the Dec page is the limit that will be applied per person. There isn't a maximum per accident limit.

LESSON 4.1 MED PAY AND PIP

How do Part A – Liability Coverage and Part B – Medical Payments Coverage differ when it comes to determination of fault?

PART A – Liability Coverage	
PART B – Medical Payments Coverage	

Med Pay also has its own definition for “insured,” which differs from other parts of the policy. There are two groups. Describe each group below.

You or any “family member”	
others who are “occupying” a “your covered auto”	

LESSON 4.1 MED PAY AND PIP**Personal Injury Protection**

Personal Injury Protection (PIP) is often referred to as _____ coverage. Why?
How is PIP like Med Pay?

Personal Injury Protection coverages for medical expenses are similar to those for Med Pay. However, PIP coverage varies by state and may provide additional benefits such as:

Work with a partner to make a list of the coverages provided by Med Pay and those provided by PIP Coverage.

Coverages Provided by Med Pay	Coverages provided by PIP

LESSON 4.1 MED PAY AND PIP**ACTIVITY: Discover Med Pay or PIP Requirements by State**

Does your state require PIP or Med Pay, or could you choose between them? What are the minimum required limits? Can additional limits or coverages be purchased? Find out and then write a paragraph about what you discovered.