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NEW BILLED VERSUS PAID RULE IN AUTOMOBILE ACCIDENT CASES BENEFITS INSURANCE COMPANIES AT THE EXPENSE OF INJURED PEOPLE

Contact your lawmakers and ask them to repeal auto accident law

Insurance companies scored a major victory – and a major financial windfall – with legislation that recently became law.

The new law, which was part of House Bill 542, will impact everyone who is injured in a car accident that was someone else's fault. It applies to anyone who was injured after October 1, 2011. The new law effectively penalizes injured people who have health coverage through private insurance, Medicaid or Medicare by reducing the amount of money they can recover in a personal injury settlement or jury award.

This change in law will save the insurance companies millions. But it will significantly reduce the amount injured people can recover for their medical expenses and the overall amount the insurance company pays to settle your auto accident claim.

This unfair portion of the law is known as the “billed versus paid provision,” and it relates to a complicated rule of evidence used in trials.

Before it became law, if you suffered an injury that was someone else's fault, it didn't matter if you had health insurance to pay for part of your medical treatment. The other driver was liable for the full amount through their insurance company. Now, injured people are required to reveal how much their health insurance paid towards the bills. The portion that's left unpaid by your health insurance is all that you could expect to receive as part of a jury award or settlement.

Consider this example:

You and your best friend are driving to lunch when you're rear-ended by another driver. You both suffer identical neck injuries, requiring months of medical treatment totaling \$10,000. In fact, the only difference is you have health insurance and your friend does not.

Your health insurance kicks in to pay \$5,000 of your \$10,000 in medical bills, leaving you \$5,000 to pay.

Because your friend has no health insurance, the other driver's auto insurance pays her \$10,000 to settle her medical claim. Meanwhile, you're only entitled to a \$5,000 settlement, even though your injuries were exactly the same! The auto insurance company just pocketed \$5,000 of your money because your health insurance covered half of the bill.

That's not fair!

When someone is at fault for an accident, they're liable for the damages and injuries they cause. The responsible party's level of liability should not change based on whether the injured person has health insurance or not. But that's exactly what this new law does.

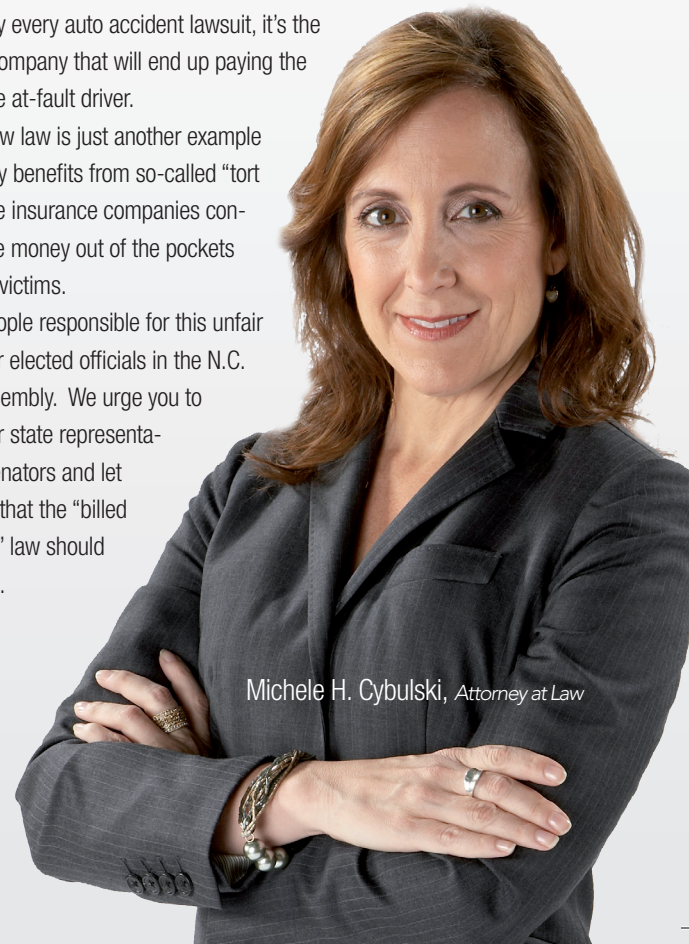
What's really unfair about this new law is that it gives insurance companies an advantage in court. Their attorneys can tell the jury that an injured person had health insurance that helped pay their medical bills, thereby reducing the amount of money that person can collect in court.

But injured people aren't allowed to tell the jury that the responsible driver has auto insurance that will kick in to cover any damages. As a result, jurors often believe that the other driver will be on the hook and will have to pay out of pocket for any damages.

But in nearly every auto accident lawsuit, it's the insurance company that will end up paying the bill – not the at-fault driver.

This new law is just another example of who really benefits from so-called “tort reform.” The insurance companies continue to take money out of the pockets of innocent victims.

The people responsible for this unfair law are your elected officials in the N.C. General Assembly. We urge you to contact your state representatives and senators and let them know that the “billed versus paid” law should be repealed.



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