

Can I Reject Or Waive My No-Fault Benefits?

I had another client in my office last year who showed me a letter he had just received from his insurance company. The letter asked him if he wanted to save some money on his automobile insurance premium. Sounds like a yes answer. Wrong! The PIP policy already contained a \$1,000.00 deductible, which I advised him to get rid of, **immediately!** Now his insurance company was asking him to reject his No-Fault Benefits. They wanted him to give up his \$10,000.00 in medical benefits and lost wages in their entirety for himself and his family. The savings for doing this was \$12.00 every six months. This is not a typo! This \$12.00 savings was not mentioned in the body of the letter. You had to know what you were looking for and look at the declarations page in order to find it. Once I explained what the insurance company was trying to do my client immediately shredded the letter. That was a close call. He could have waived all of the medical and other benefits he would have available to him should he be in an accident.

In Kentucky Basic Reparation Benefits are part of the liability package unless No-Fault Insurance is formally rejected. You do have the option to reject your No-Fault Coverage. Your insurance company must inform you of this in writing. If you do choose to do this your automobile accident case will not be controlled by the Kentucky No-Fault Statute, but by Kentucky case law. This rejection must be done in writing and filed with the Office of Insurance. The No-Fault Statute limits auto accident claims to those cases where your medical bills exceed \$1,000.00. As a practical matter, if your medical bills are below this amount you really do not have a very good case in most circumstances.

The Kentucky No-Fault Statute also extends the statute of limitations for filing a lawsuit. Under case law the statute of limitations would be one year from the date of the accident. Under the No-Fault Statute it is two years from the date of accident or two years from the date of the last PIP medical payment, not to exceed four years. This gives you a lot more time to receive medical care and fully recover from your injuries before making a decision as whether to accept a settlement offer or file a lawsuit in your auto accident case.

There are additional benefits in the statute, such as how the medical bills are paid, how to appeal the denial of medical payments and penalties to the insurance company for wrongful denial of these payments. I cannot fully discuss those here. Suffice it to say, that over twenty years of experience leads me to believe the benefits outweigh any detriment. **Never**, under any circumstances or for any reason, reject your rights under the No-Fault Statute.