

# New Jersey's health-insurance options for auto injury costs—what car owners need to know

## If I am injured in an auto accident, who will pay for my medical expenses?

Before Jan. 1, 1991, your auto insurance company automatically had the primary responsibility for paying these medical bills. But, for auto insurance policies written after that date, many policyholders have a choice.

## What type of choice?

If you have a health insurance policy, a group health insurance plan at work, a health maintenance organization contract or other similar health-coverage provider, you may be able to assign that provider the primary responsibility for paying such medical bills.

## Why are eligible car owners getting a choice?

The choice is part of a state law that addresses the cost of auto insurance. The amount on a portion of the auto insurance premium may be available to you if you choose to have your health-insurance provider primary.

## How would I choose my health-coverage provider as the primary payor of medical bills that result from an auto accident?

You are given the choice on your New Jersey auto insurance Coverage Selection form. This is a form you fill out when applying for coverage or when you have an existing policy.

## How do I know if my health-coverage provider should be assigned the role of primary payor?

You need to check this point. Also, you must be the named insured as the "named insured" and all other family members residing in your household must be covered by a health-coverage provider. So, be sure to check all health-coverage plans, if more than one.

## What if a family member living with me has a health-coverage provider that cannot be assigned the role of primary payor?

Unless you and all family members living with you are covered by a plan or plans that will pay such benefits, you cannot choose the health-insurer option. In this case, you should check the box that says "No, I do not want the personal injury protection health-insurer option."

## How much of the amount is available if I choose the health-insurer option?

The amount will vary; so check with your insurance company.

## What other factors should I consider, in addition to the discount?

Most health-coverage plans are subject to a lifetime maximum for all medical benefits. Payments for auto accident injuries would count against the maximum, reducing the amount of coverage left to pay other types of medical bills.

If you do not select the health-insurer option, your auto insurance policy will be the primary payor of your benefit limit chosen (options are available from \$15,000 to \$250,000). This means your auto insurer will pay medical bills for you and/or any family member injured in an auto accident before you turn to health coverage as your secondary source of protection.

Also, if you do not select the health-insurer option, your health-care providers (doctors, hospitals, etc.) are limited to collect a specific, set fee for their services. They cannot charge you any additional amount they might normally charge to nonauto accident victims. You are not clearly protected from such "balance billing" under the health-insurer option.

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If you do select the health-insurer option, the health-care provider will be the primary payor for your auto injury claims, as long as they do not total more than your lifetime maximum (typically \$1 million). Your auto insurance, as a secondary payor, would consider only claims for deductibles, copayments and procedures or treatments not covered by health coverage, until your health coverage is exhausted.

### **How can I check on the provisions of my health-coverage plan or plans?**

Check with the employer that provides the plan if the coverage is provided at work. Or, check with our agency, the insurance company, the HMO or other health-coverage provider directly.

Also, if the health coverage provider for you or any resident family member, is Medicare or Medicaid, you cannot choose health coverage as your primary payor.

### **If I decide to choose the health-insurer option, what information will I need to provide to my auto insurer?**

You will need to know the name of your health-coverage provider and the policy, plan, membership or group certificate number. Be sure to ask for the number when you check on benefits.

### **Is all the information I need to provide on my Coverage Selection Form?**

Yes. However, if you insure through a health plan, you should check the plan to verify your family member's status. If you are not insured through a health plan, you should verify that you have coverage for all primary coverage for auto accident-related expenses, your insurance company may invalidate the health-insurer option and bill you for the amount of the discount you received.

### **When can I change health-coverage providers, or health-coverage plans?**

If you, or any other family member, change coverages, you should verify if the new coverage will pay. You also should notify your auto insurer of the change.

If your new coverage will not pay; if a family member loses benefits, it is very important to fill out a new Coverage Selection Form.

### **Why?**

If you, or a family member, is injured in an accident, and health coverage is no longer in effect, your auto insurer will pay medical benefits. However, you will be required to pay a \$750 additional deductible and refund the premium discounted for the policy term in which the injury occurred.

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