

An explanation of New York's no-fault law and ATV PIP insurance benefits

What is the New York no-fault law?

The New York Comprehensive Automobile Insurance Reparations Act (also known as the no-fault law) took effect on Feb. 1, 1974. Legislators wanted to ensure persons injured in a vehicle accident would receive prompt and sufficient medical treatment and income replacement without the burden of litigation. Prior to no-fault, only 14 percent of the liability premiums in the state actually reimbursed accident victims for their economic loss, and the average time to collect was 16 months.

The no-fault law provides a generous package of Personal Injury Protection benefits and finances it with the removal of excessive pain and suffering damages, wasted litigation expenses and redundant benefits payable under other sources (for example, workers' compensation or Social Security). As a result, the law covers persons injured in a vehicle accident and give some of their rights to sue for damages (e.g., pain and suffering) damages in exchange for guaranteed benefits. The law also applies to persons injured in a vehicle accident if the injury is not covered by Social Security or workers' compensation. The injured person may then pursue economic damages.

Does this New York no-fault law apply to all-terrain vehicles?

Yes, PIP coverage is required for all-terrain vehicles they are operated off the road. However, it applies only to persons injured while operating an ATV. Occupants of an ATV who are injured while operating the vehicle receive PIP benefits.

However, the law restricts the types of injuries that can be collected for economic damages. The law provides that PIP coverage is required for all-terrain vehicles, motor vehicles or all-terrain vehicles.

What are the Personal Injury Protection benefits?

The law emerged from the legislators' promise to provide Basic Economic Loss for eligible injured persons, which consist of four types of compensation. The first three shown are subject to a combined limit of \$50,000, while the limit of the fourth is in addition to the \$50,000 limit.

1. All eligible medical expenses incurred without time limitation.
2. Income loss payments up to \$2,000 per month for no more than three years.
3. Other expenses incurred (e.g., housekeeping or transportation) up to \$25 per day for not more than one year.

4. Death benefit of \$2,000 payable to the covered person's estate.

In addition to the PIP benefits, eligible injured persons may also receive Basic Economic Loss, it is payable as PIP benefits. There could be other sources, such as workers' compensation, state disability or Social Security benefits, which may contribute with your ATV insurance to help compensate the injured person for Basic Economic Loss.

Are there any other PIP options available for ATVs?

There are none required by law (e.g., Optional Basic Economic Loss coverage required on motor vehicle and motorcycle policies) and most, if not all, insurance companies do not voluntarily offer other options.

This information is provided as a general summary of the no-fault law and PIP coverage. Please consult the actual law and your policy for specific details that may be applicable to your situation.



Your Professional Insurance Agent ... We want you to know about the insurance you're buying.