An explanation of New York's no-fault law and motorcycle 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 Feb. 1, 1974. Legislators wanted to ensure that 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 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 a[illegible]lant benefits payable under o[illegible] (for example, workers' co[illegible] Social Security). As a resu[illegible]d per[illegible] injured in a vehicle acciden[illegible] some of their rights to sue for non[illegible] pain and [illegible]damages in[illegible] for g[illegible]nefits that are [illegible] pr[illegible] regardles[illegible] How[illegible]e i[illegible] seve[illegible] a [illegible] t[illegible] injury typ[illegible] person m[illegible]n purs[illegible] nonec[illegible]mic damages.

Does th[illegible]ork no-fault law apply to motorcycles?

Yes, PIP coverage is required for motorcycles, but it applies only to injured pedestrians. Occupants of a motorcycle are not eligible to receive PIP benefits, but, on the other hand, they retain all their rights to su[illegible] noneconomic damages.

What are Personal [illegible] Protection ben[illegible]

PIP benefits emer[illegible] legislat[illegible] promise of Basic Ec[illegible] eligible inju[illegible]ersons, [illegible] of the follo[illegible]ypes o[illegible]n. The fi[illegible]elow a[illegible] combin[illegible]0, whi[illegible] the fourt[illegible]e $50,[illegible]nit.

[illegible] eligib[illegible]cal [illegible]curred [illegible]ati[illegible]

[illegible]co[illegible]s up to $2,000 per [illegible]th for [illegible]n three years.

3. [illegible]enses incur[illegible]e.g., ho[illegible]g or transportation) up to $25 p[illegible] for [illegible] more than one year.

[illegible] bene[illegible] of $2,000 payable to [illegible]covered person's estate.

Keep in mind that, while eligible injured pe[illegible]s are guaranteed this Basic Economic [illegible]ss, it may not all be payable as PIP benefits. There could be other sources, such as workers' compensation, state disability or Social Security benefits, which may contribute with your motorcycle insurance to help compensate the injured person for Basic Economic Loss.

What are Optional Basic Economic Loss benefits?

Optional Basic Economic Loss (OBEL) adds an additional $25,000 to the $50,000 Basic Economic Loss for [illegible] to [illegible]75,000, but [illegible]ith a twist. Ins[illegible] this amount being [illegible] to the p[illegible]irst demands it (e.g., [illegible]it [illegible]vered person can decide [illegible] it first. You may want th[illegible] go toward the payment of incom[illegible]s, or you may want to use it for psychiatric, physical or occupational therapy and rehabilitation.

Must my insurance company offer OBEL coverage?

Insurance companies are required to make available OBEL coverage to all motorcycle owners who apply for a policy. However, this offer may be misleading because OBEL benefits will be paid only to pedestrians and not to an operator, or occupants, of the motorcycle. One must ask why an applicant would pay additional premium for coverage that would only benefit pedestrians. In most cases, if the extent of this coverage were understood, the applicant would decline it.

Are there any other PIP options available for motorcycles?

There are none required by law 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.

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