

Insurance cover

Business



Motor or car insurance is a service purchased by the owners of any kind of vehicle. This is to provide security or protection against losses incurred because of traffic accidents and liability that can be incurred in the same situation. Considering the USA insurance law, we will get the basis of discussion. Here, the insurance law states that auto insurance liability for injuries and property injuries/damages done, to others is compulsory.

Insurance coverage is of different kinds. In this case, we will discuss the three that are relevant to the topic of discussion. These are; the insured party, the insured vehicle and the third parties, which is the car and people. The cost of medical check up for Ruth the passenger is under the category of the third party coverage. Given that the above three categories are covered by the insurance; the insurance company will compensate all these categories. In this incidence, the insurance company will not pay for the damage at any of the above categories.

According to the insurance policies, compensation will only arise under one circumstance. After establishing the cause of the accident, Bob Brown should report this case to the police and take Ruth for medical check up. When he is done with this, he has to produce the evidence or proof from the police and the hospital. If Brown's car is under the cover of medical payment policy, it will be easy to meet the medical check up of Ruth the passenger. This because this policy provides compensation regardless of who's fault.

If the insurance cover does not provide this measure, then owner of the car that knocked Mr. Brown's car from behind will meet the cost or compensate the injuries sustained by Ruth (Ezine articles, par 16). The calculation of Ruth

insurance injury coverage is as shown below; In most cases, the insurance company fixes some of the percentages. E. g.

, Mr. Brown's insurance can agree that it is 80% liable for Ruth's injuries. This is the approach taken, assuming that Ruth had her left arm and leg broken; it will be calculated this way; Ruth left arm and broken leg, ER visit = \$2000 Hospital stay 25 rehabilitation visits and pain and suffering = \$80,000 The total compensation of Ruth by the insurance is therefore; $(0.8 \times \$2000) = \160 Add $(0.8 \times \$80000) = \64000 The total insurance coverage for Ruth will be $\$160 + \$64,000 = \$64,160$ When considering the damage of the car behind Mr. Brown, we realize that the owner of that car is the causer of the accident.

Mr. Brown has nothing to do with the compensation of the car behind him. The owner of the car behind Mr. Brown will sort the issue with his insurance company. If he justifies himself his insuring company will compensate him for the damage. In actual sense no compensation for him, instead he will meet the expenses.

In the statement, we found out that the car in front of Mr. Brown also had damage. Actually, the owner of the car behind Mr. Brown caused Brown to knock the car in front of him. This therefore implies that he will pay for this damage.

Even though the insurance policies under which the vehicles have been insured states that the insurance will compensate, it will depend on the cause of accident. If you understand this, you will realize that someone behind caused the damage on the car in front of Mr. Brown. Then he is the

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one liable for this. The owner of the car behind him will compensate Mr. Brown's car and the car on front of him in the following way; The insurance company will also fix the percentage as per the agreement, e.

g. it can agree to be 90% liable for the damages. Damages estimated were as follows; The car in front of Mr. Brown rear damage estimated at \$150 Mr. Brown's Car front damage estimated at \$650 The car of the person behind Mr. Brown estimated damage \$600 The damages is covered as per the agreed liability percentage provided by the company and therefore is as below Mr.

Brown coverage = $(0.9 \times \$150) = \135 The front car coverage = $(0.9 \times \$650) = \585 The owner of the car behind Mr. Brown coverage = $(0.9 \times \$600) = \540 Therefore the total coverage to be paid by the insurance company will be $\$135 + \$585 + \$540 = \1260 . Total liability is the same as total insurance coverage.

This part deals with the total amount of liability protection for the bodily harm and property damage. Actually liability means the damage caused, in this case it is the harm caused like injuries. Property damage will include the direct damage to the car. After understanding this, we must remember that insurance covers only compensate the areas under which an individual has applied. When analyzing this situation, we can say that all depends on the insurance cover under which Mr.

Brown's car had. Assuming he had insured his car under all possible accidents, then he his insurance will compensate him of all the above-discussed damages. In this situation Mr. Brown's insurance company can

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also pay for damages cause by his car if he has insured the car against property damage liability (Geico Auto Insurance Policy, par 13)