



Perlmutter & Schuelke, LLP

Capitol Tower
206 E. 9th Street
Ste. 1511
Austin, Texas 78701
(512)476-4944
FAX (512)476-6218



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What Does Your Insurance Cover?

Do you know what your homeowners' or auto insurance policies cover?

Most people, including attorneys, don't.

In the past, that wasn't such a problem. The Texas Department of Insurance only allowed insurance companies to sell a few different versions of policies. For example, virtually all homeowners had a policy that was known as the HO-B policy, and almost all auto policies were identical.

SHOPPING AROUND?

While you didn't know the details of your policies, you could at least be confident that when you received a quote from different companies, you were comparing apples to apples.

That's not the case anymore.

A few years ago, the Department of Insurance started approving non-standard homeowner's and auto insurance policies.

One result of the change is that it is now much more difficult to shop for insurance. When you call two insurance companies for quotes, it's hard to know whether the quotes are for the same thing. You wouldn't compare two cars for sale by looking only at price not knowing the year,

make or model of the cars, but that's what consumers are being asked to do for their insurance. Unfortunately, in an effort to buy the cheapest policy, many people purchase insurance that isn't adequate for their needs.

JUNK POLICIES

A bigger problem is that insurance companies have started issuing what many are calling "junk policies" — policies that have reduced coverage and increased deductibles.



HELP ON THE WAY

In early February, Texas Watch, a consumer watchdog group in Texas, took steps to address the problem. Texas Watch sent a public records request to the Department of Insurance asking for all forms currently in use so that they can do an analysis of the policies to help homeowners and lawmakers understand the issue.

I'm proud that I'm one of the 5 or so lawyers throughout the state who have been asked by Texas Watch to help in this important effort. I'm not sure when we will get the documents or when the analysis will be completed. But until then, I hope you will call your insurance agents and ask them to explain exactly what coverage you have so that you understand whether you have the protection you need.

— Brooks Schuelke

Make Sure You Have UM/UIM and PIP Coverage

As I wrote on page one, it's important to know what coverage is provided in your homeowners' and auto insurance policies.

As an accident and injury lawyer, I highly recommend Uninsured/Underinsured Motorist (UM/UIM) coverage and Personal Injury Protection (PIP) coverage. These coverages, which you buy on your own automobile or motorcycle coverage, protect you from drivers that don't have insurance or don't have enough insurance.

In my mind, this is critical. Today, it's estimated that 20% of Texas drivers don't have insurance. And of those that do, the vast majority have the minimum limits of \$30,000.00. That limit means the most the insurance company would ever have to pay — regardless of how bad you are hurt — is \$30,000.00.

While that may sound like a lot, it's not.

In many instances, the cost of an emergency room visit will approach \$30,000.00. And if you have any significant type of surgery, that will certainly cost more than \$30,000.00.

In that instance, the other driver's insurance is only protecting the hospital or your health insurance company (which you probably have to reimburse for any bills it paid related to your accident).

What does that mean in real life? I'm looking at a list of the five most recent car wreck cases that I've resolved. Four of them required a claim on my client's UM/UIM policy. And the fifth would also have been a UM/UIM claim if the other driver only purchased the minimum \$30,000.00 of insurance.

If you want to protect yourself or your family, you need to buy uninsured/underinsured motorist coverage. Look at your policy to see if you have UM/UIM coverage. If you don't, call your agent to buy it now.

I also recommend PIP coverage. PIP coverage helps cover your lost wages and medical expenses that you incur from a wreck. There are two advantages of PIP coverage.

It's the one coverage that pays you as the claim goes along. In a claim against the other driver, you won't receive any funds until the claim is over. That might be months or years down the road. But PIP pays in a relatively short period of time as you miss work or incur bills.

PIP also doesn't have a right to subrogation. That means you don't have to pay it back out of any recovery you make from the other driver's insurance. A PIP alternative, MEDPAY (which many agents recommend) has to be paid back. While PIP is a few dollars more expensive, this feature alone is well worth that money.

You pay a lot of money to purchase insurance that protects others. Make sure you're also doing what's necessary to protect yourself.



"Your policy does cover wind damage, but not from huffing and puffing."

POISON CONTROL CENTER

1-800-222-1222

A couple of weeks ago, my son was reading something and asking question after question (after question after question) about the poison control center. While I hope he never needs it, it was a good reminder that I need to keep the number handy so I added it to the contacts in my cell phone. I also thought I'd post the number in here to remind others to have it available in case of emergencies.

NOT HIRING A LAWYER—PENNY WISE, BUT POUND FOOLISH?

Recently, a family friend passed away, and he had a will that he prepared himself. The will was done well and was perfect — almost. Unfortunately, the friend didn't have the will properly notarized. As a result, the beneficiaries ended up spending thousands of dollars in legal fees that could have been saved had the will been finished properly.

Local attorney David Valenti, a friend of mine, specializes in helping small and medium sized businesses with their contract needs. Dave tells of the story (which he keeps anonymous) of the client who came to him asking that Dave help the client enforce an agreement not to compete that a former employee was violating. Unfortunately, when reading the contract, Dave had to inform the client that the contract, which the client had written himself, didn't contain such an agreement. It was an expensive lesson for the client.

These types of situations arise all the time and in all practice areas. People think they can act as their own lawyers and draft their own agreements or try to resolve their own disputes. And in many instances, that unwillingness to see an attorney up front costs the potential client significant sums of money later.

Don't take these gambles in your life or with your business. Make the investment up front to make sure that you are getting things done right. If you don't know a lawyer, feel free to call me, and I'll be happy to give you names of attorneys who I think are qualified. And if you need a lawyer for your business, call Dave (you can find him on his website at www.corpgeneralcounsel.com) and he'll be glad to help.

SEEDLING FOUNDATION

I've written about it before, but I want to again encourage as many people as possible to consider volunteering with the Seedling Foundation.

The Seedling Foundation is a local non-profit that matches up mentors with students who have parents or care-givers in prison.

My wife and I have been involved with the Seedling Foundation for about six years now, and it's been a very rewarding experience for each of us. I've now convinced my brother to do it, and he enjoys it as well.

Mentors meet with their mentees once a week during the student's lunch hour. As a mentor, you can engage in any number of activities. Most of my time is spent reading, playing catch, shooting baskets, or playing iPhone games. Because the kids' lunches are so short, it's basically a one hour commitment (including travel) per week.

The organization is now accepting applications for mentors for Fall 2012. If you think you have a few minutes to spare, please consider the Seedling Foundation.



WWW.SEEDLINGFOUNDATION.NET

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This newsletter is informational and not legal advice. If you need legal advice, feel free to call us to set up a consultation.

THANKS FOR YOUR REFERRALS

As I stated before, though we try to ask clients who referred them, only a small percentage are actually able to give us names. So even if we don't personally thank you, know that we appreciate the referral.

And when we do get names, we want to make sure that we do thank you. We'd like to thank the following for sending us referrals in the last couple of months:

Attorney Dave Scott
Attorney Thomas Bleich
Sophea Trotta (former client)
Attorney Arthur Troilo III
Attorney David Gonzalez
Nina Davis (former client)
Attorney Jim Goldsmith
Attorney Gilbert Davila

