

**WHEN YOUR CAR INSURANCE COMPANY HAS EXPOSED YOUR ASSETS, WE  
CAN HELP YOU**

**By Lawrence E. Mittin, Esq.**

You cause a minor rear-end collision while in traffic on the highway in 2016. Your insurance company tells you no worries, we have you covered. Fast-forward to 2018 and your insurance company sends you a letter stating that your policy is not large enough to cover the claim of the person you hit and as such, you will need to contribute to any settlement or you can hire your own attorney to help defend your assets. After you read this letter, you think what went wrong to cause you to have to pay money from your pocket when you have insurance? Your next thought is who is going to help me, as the company told you to get your own lawyer to protect your assets? While the answer as to what went wrong will take investigating, we can help in this unfortunate situation where your insurance company has exposed your assets.

Your insurance company has the contractual right to make all decisions as to any payments to a claimant under your policy. Any payment within the policy is the company's money. This is the main reason people are sued for car accidents, because the company wants to control the payments made to accident victims by either denying claims or offering too little money. Insurance companies are very concerned about keeping their money.

However, as to your money and assets, insurance companies have a duty to protect you as an "insured" from any personal exposure beyond the policy. If you are facing personal exposure on a claim, normally it is because the insurance company was more concerned about its money than your money. Exposures are usually the product of mistakes by the adjusters, mistakes the insurance company is now shifting on to you, which is why you got the exposure letter.

In the typical exposure case, the company was presented with a time limit demand for your policy by the accident victim which the company chose to either reject and/or offer a lower amount of money. Since the demand involves the company's money, normally insureds never know anything about demands/negotiations. While there is recent Nevada law on the duties of companies to inform insureds of policy limit demands, many companies do not adhere to the law at all or the companies will only provide limited information to the insured. The last thing a company wants is to have to involve its insureds in the process of responding to demands. Nobody likes to get sued. If the company were to inform insureds of demands while they were pending, most insureds would tell the company to settle the claim so they do not get sued. However, the policy is the company's money and the decision to make payments under the policy is up to adjusters/managers of the company. As such, the companies do not want the insureds involved at all in the decision making as to payments under the policy.

When the company has failed to accept a time limit policy demand and an insured then gets sued for more than the policy, companies will send the exposure letter which is just a form letter that will not explain why an insured is now facing exposure. In order to find out what mistakes lead to exposure, you need to get your own lawyer. When you are sued for an accident,

your car insurance company assigns an attorney to defend you up to the policy limits. That lawyer is paid by the insurance company. What can be troublesome for the lawyer is if there is personal exposure to you as the client possibly because of something the company did on the claim. This can present a conflict and normally the lawyers will then recommend a consult with an attorney to discuss your rights if your insurance company has unnecessarily exposed you.

For years, insurance defense attorneys have recommended our office to clients in these exposure situations. The lawyers know we give free consults on such claims and if we take a case, our main interest is in protecting you from personal exposure. To protect you requires us to examine the claims file and find out what led to the exposure. We then deal with the insurance company's own attorney in trying to get you protected. Further, we often have to deal with the attorney for the accident victim. In these cases, the accident victim essentially wants more money than your policy from the insurance company itself, but to do so the victim has to go through you. If bad faith has occurred because the insurance company exposed you, you can assign your bad faith rights to the accident victim and in exchange you get a promise that your assets are not at risk. Where negotiations get complicated is that insurance companies never want to admit to bad faith and often the attorney for the accident victim will not be willing to give an iron-clad agreement not to go after your assets in exchange for an assignment of bad faith rights. So in these situations we might find ourselves fighting a two-front war on behalf of clients, as we want the company to own its mistake and/or we want the accident victim to let you out of the case entirely in exchange for an assignment. We want to get you out of this bad situation that was created through no fault of your own, by letting the company and the accident victim sort it out with you having no personal exposure.

We have been successful in helping clients in these unfortunate situations where they have been exposed due to a mistake by their company. If you have received an exposure letter from your company for a car accident, please contact us for a free consultation so we can see if we can assist you. When these exposure situations occur, you need your own independent attorney to best protect your interests. We are here to help, as we are good at what we do and our commitment is to protecting you and your assets.

