

How Alabama Drivers Can Find and Stack Uninsured Motorist Coverage After a Catastrophic Crash

The Policy on the Vehicle May Be Only One Source of Compensation

A catastrophic crash can produce medical expenses and lost income that quickly exceed the responsible driver's insurance limits. If that driver carries only minimum liability coverage, the available insurance may cover little more than the victim's initial hospitalization.

Uninsured motorist coverage (UM) applies when the responsible driver has no applicable liability insurance. Underinsured motorist coverage (UIM) applies when the driver has insurance, but the available limits are lower than the injured person's damages. These coverages are commonly called UM and UIM.

An [Alabama car accident lawyer](#) must look beyond the policy covering the vehicle involved in the crash. Additional protection may be available through other vehicles, separate policies, household members, or an employer. Alabama also permits certain UM/UIM limits to be combined through a process known as stacking.

When Uninsured and Underinsured Motorist Coverage Applies

Alabama auto insurance policies generally must include [UM/UIM coverage](#) unless the named insured rejects it in writing. A driver should not assume the coverage is unavailable simply because it does not appear prominently on an insurance card or an adjuster claims it was rejected.

UM coverage may apply when the responsible driver had no applicable insurance, there is no applicable liability coverage for the accident, or the crash involved an unidentified [hit-and-run driver](#). UIM coverage becomes important when the responsible driver's insurance exists but cannot cover the full value of the injuries.

Neither coverage guarantees payment. The injured person must still establish that the other driver was legally responsible and prove the extent of the resulting damages. [Alabama's contributory-negligence rule](#) also remains important because a UM/UIM insurer may argue that the claimant was partly responsible and therefore not legally entitled to recover from the other driver.

Every Potential Insurance Policy Must Be Identified

The policy covering the vehicle involved in the collision is usually the starting point, not necessarily the end of the coverage investigation. Depending on the claimant's circumstances, several policies may apply:

- **The Occupied Vehicle's Policy:** A driver or passenger may qualify for UM/UIM benefits under the insurance covering the vehicle involved in the crash.
- **The Injured Person's Other Policies:** Someone who owns multiple vehicles may have applicable coverage on vehicles that were nowhere near the accident.
- **A Spouse's Policy:** Coverage may be available under a policy issued to a spouse who lives in the same household.
- **Resident-Relative Coverage:** A parent, child, sibling, or other relative may qualify as an insured under a household member's policy.
- **Separate Household Policies:** Additional coverage may exist when vehicles within the same household are insured under separate contracts or through different companies.
- **Employer and Fleet Policies:** A [worker injured](#) while driving or occupying a company vehicle may qualify under a commercial or fleet policy, depending on its terms.
- **Pedestrian and Cyclist Coverage:** UM/UIM protection may cover a named insured or qualifying resident relative while [walking](#) or [cycling](#), depending on the applicable policy and circumstances.

Each policy must be reviewed in full. A declarations page may identify vehicles and limits, but it may not answer who qualifies as an insured, whether UM/UIM coverage was rejected, or how the policy coordinates with other insurance.

Household Residency Can Determine Whether Coverage Applies

Resident-relative coverage can provide a substantial additional source of compensation. It can also produce one of the most heavily disputed issues in a UM/UIM claim: Where the injured person actually lived when the crash occurred.

A child away at college may still consider a parent's home a permanent residence. An adult child may divide time between two households. Separated spouses may remain financially and legally connected while maintaining different living arrangements. Shared-custody arrangements can also make it difficult to identify a child's household for insurance purposes.

[Insurers](#) may examine driver's licenses, tax records, voter registration, school records, utility bills, mailing addresses, financial support, and where the claimant regularly slept and kept personal belongings. The policy's precise definition of a resident relative matters. Being related to the policyholder does not establish coverage if the applicable policy also requires household residency.

Alabama Allows Applicable UM/UIM Limits to Be Stacked

Stacking combines UM/UIM limits from more than one covered vehicle or insurance policy. For someone with catastrophic injuries, it can substantially increase the total insurance available.

Under Alabama state law, recovery under one insurance contract may include the primary coverage plus coverage for as many as two additional vehicles. A policy covering three vehicles with \$50,000 in UM/UIM coverage per vehicle could therefore provide as much as \$150,000.

The [three-coverage restriction](#) applies within one insurance contract. It does not create an absolute limit of three coverages across every separate policy that may apply. If a claimant qualifies as an insured under another contract, that policy may provide an additional layer of benefits.

Stacking is not automatic simply because several policies or vehicles exist. The claimant must qualify as an insured under each policy being pursued. The total recovery also cannot exceed the claimant's proven damages.

Insurance Companies Can Challenge Additional Coverage

A UM/UIM claim is made against an insurance company that agreed to protect the injured person. That does not mean the carrier will accept the claim without opposition.

Common disputes include:

- **Written Rejection of Coverage:** The insurer may contend that the named insured signed a valid rejection of UM/UIM protection.
- **Insured Status:** The carrier may deny that the claimant qualifies as a named insured, resident relative, permissive driver, passenger, or employee covered by the policy.
- **Household Residency:** The insurer may argue that a relative lived somewhere else when the crash occurred.
- **Notice of the Claim:** The carrier may assert that it did not receive notice within the time required by the policy.
- **Responsibility for the Crash:** The insurer may dispute the other driver's fault or use Alabama's contributory-negligence rule against the claimant.
- **Value of the Injuries:** A UIM carrier may argue that the claimant's damages do not exceed the liability insurance already available.

These disputes make UM/UIM claims different from simple requests for payment. The claimant may need to prove liability and damages while also establishing a contractual right to each layer of insurance.

A Liability Settlement Can Jeopardize UIM Benefits

An [injured person](#) should not sign a release merely because the at-fault driver's insurer offers its policy limits. Releasing the responsible driver without protecting the UIM carrier's rights can put the additional claim in jeopardy.

Before settling, the claimant generally must notify the UIM insurer, provide information about the proposed settlement, and allow the carrier a reasonable opportunity to investigate. The UIM carrier may consent to the settlement or, in appropriate circumstances, advance an amount equal to the proposed settlement to preserve its subrogation rights against the responsible driver.

Simply attempting to reserve UIM rights in a release may not protect the additional claim if the required settlement procedures were not followed. The settlement with the liability insurer and the claim for additional benefits must be coordinated before money is accepted or documents are signed.

Dean Waite & Associates Searches for Every Available Source of Recovery

When an uninsured or underinsured driver causes a serious crash, [Dean Waite & Associates, LLC](#) investigates every potential source of compensation. We examine the policy on the occupied vehicle, separate household policies, resident-relative coverage, employer insurance, and potential opportunities to stack UM/UIM benefits.

We have recovered more than \$150 million for injury victims and families, including [\\$400,000](#) for an uninsured motorist accident. For more than 25 years, our firm has represented people injured in serious uninsured and underinsured motorist accidents throughout Mobile, the Gulf Coast, and Alabama.

We offer free consultations, are available 24/7, and charge no fee unless we win. Before accepting limited insurance money or signing a release, find out whether additional coverage is available. Don't hesitate. [Call Dean Waite.](#)