

May 29, 2020

TLSS Partner Eric D. Suben Prevails in PIP Arbitration on Behalf of Insurer

Related Attorneys:

In the underlying lawsuit, plaintiff alleged injuries when struck by a car owned by a dealership but driven by an employee of the garage where repair work was underway. The vehicle owner's insurer paid statutorily mandated Personal Injury Protection ("PIP") benefits to the injured claimant, while the garage-keeper's insurer (and TLSS' client) defended the driver and settled the lawsuit. After the settlement, the owner's insurer initiated mandatory PIP arbitration to recover the benefits it paid from the garage-keeper's insurer, arguing that its policy was mandated to provide PIP coverage. TLSS responded that the PIP statute mandates such coverage only in an "owner's policy." Here, the policy did not include the mandatory PIP endorsement, the garage-keeper was not the vehicle owner, and the policy provided coverage only for "non-owned vehicles." The arbitrator agreed, holding that the garage-keeper's insurer only owed the defense and coverage for the liability claim (which it had paid), but there was no obligation for them to provide payment for concurrent PIP coverage as none existed on the policy.