

Lessons in Liability - What if Someone Else Crashes Your Car

When you are the person behind the wheel of your own car, figuring out who is liable if there's a car accident is fairly simple. It's either your fault, the other driver's fault, and the police and your insurance companies will work it out if the answer isn't entirely clear. If someone else is driving your car, however, and the accident was their responsibility, are you liable because you own the vehicle, or is it the driver's responsibility to pay for damage? If you loan your car to a friend, and they cause an accident, however, the water is a little muddier. Generally, your coverage will be in first place, so you will have to pay your deductible. This is because standard auto policies are written to cover "you, any relative, and anyone else using your car if the use is (or reasonably believed to be) with your permission." If the damage incurred exceeds your policy limits, your friend's insurance will kick in and cover the difference in most cases. But what if the person who drives your car has no insurance? And what if your car is crashed while a thief is driving? Here are three scenarios that involve liability when someone else crashes your car:

- Crashed while Stolen:** If your car is stolen, and the person who stole it causes an accident, it is unlikely that you will be held responsible for any damages to other people, or to property, but even if the thief is insured, you probably will have to pay for damages to your own car via your collision coverage. The average thief, however, isn't likely to have insurance, and even if they do, their insurance won't pay for an accident caused during a criminal act.
- Crashed by Uninsured Friend:** First of all, you shouldn't be lending your car to anyone who doesn't have insurance. If you do choose to let them drive your car, however, and there is an accident, your coverage will protect you only up to your policy limits. If there is damage beyond that, the injured parties can sue you for property damages or medical expenses.
- Crashed by Friend Without Permission:** If your friend drives your car without your permission, you won't be liable for the damages, as long as they are insured, and your insurance will most likely be used to pay for damages to your own car (collision coverage) or others' (liability). Be aware, however, that insurance companies are extremely skeptical about such cases, and you'll have to prove that you either didn't know your friend had your car, or that you had refused to lend your car to them. Otherwise, it will be assumed that you loaned your car to your friend, and your insurance will be in first place. You can't always prevent your car from being stolen, though anti-theft devices do help, and often come with an insurance discount, but you can keep a friendship from being ruined by a car accident. Don't lend your car to anyone unless it's a dire emergency, and insist upon seeing proof of insurance before you do.

About the Author

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