



## NO-FAULT AUTOMOBILE INSURANCE

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### AUTOMOBILE INSURANCE

Anyone who wants to receive or retain a driver's license or motor vehicle registration in Connecticut must provide and continuously maintain a minimum amount of financial security (e.g., insurance), including liability coverage and uninsured and underinsured motorist coverage (CGS §§ [38a-334 to 38a-343](#) and [38a-371](#)).

For liability coverage, the law requires a driver to maintain insurance of at least \$20,000 per person and \$40,000 per accident for bodily injury liability and \$10,000 per accident for property damage liability (CGS §§ [38a-335](#) and [14-112\(a\)](#)). For uninsured and underinsured coverage, the law requires a minimum of \$20,000 per person and \$40,000 per accident (CGS § [38a-336](#)).

### ISSUE

Does Connecticut follow a no-fault automobile insurance system?

### SUMMARY

Connecticut is no longer a no-fault state for automobile insurance, but was before 1994.

The term "no-fault automobile insurance" often refers to automobile insurance that permits a person to recover financial losses from his or her own insurance company regardless of who caused the loss. In the strictest sense, however, a no-fault insurance system is one that both (1) provides payment of no-fault first party benefits and (2) restricts the right to sue by establishing an injury severity threshold that, if not met, prohibits a person from suing for damages.

Before January 1, 1994, Connecticut had a no-fault insurance law that required private passenger motor vehicle operators to purchase a \$5,000 basic reparations coverage benefit. The benefit paid medical expenses and lost wages incurred due to injury sustained in an automobile accident without regard to who was at fault. In exchange for this benefit, the no-fault law restricted an accident victim's right to sue the at-fault person.

Public Act [93-297](#) repealed the no-fault insurance law. As a result, basic reparations coverage is no longer required. Instead, a person injured in an automobile accident because of another's negligence may seek compensation for his or her injuries from the at-fault driver and, if necessary, initiate a lawsuit to determine fault and the



amount of damages to be awarded. Under the terms of a standard automobile insurance policy, an insurer has a (1) duty to defend an insured person and (2) right to recover from those at fault any payments it makes to an insured person.

For more information about no-fault automobile insurance, see this February 2014 [report](#) from the Insurance Information Institute.

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