

# NO-FAULT AUTO INSURANCE BILLING

PIP Claim Rules, Primary Payer Status, and Benefit Caps

## AUTO ACCIDENT CLAIMS LAYOUT

No-Fault or Personal Injury Protection (PIP) auto billing applies when a patient is injured in a motor vehicle accident. This process bypasses standard health insurance plans until legal coverage limits are reached.

## THE PRIMARY AUTO RULE

By statutory law in all PIP states, the auto insurance carrier is **\*\*always primary\*\*** over general health insurance for injuries caused by a car accident. Sending an auto injury claim to a traditional health insurance plan first will result in an immediate coordination-of-benefits rejection.

## MANAGING BENEFIT LIMITS & EXHAUSTION

Every PIP policy has an absolute financial coverage cap (such as a standard \$10,000 limit). Once this cap is reached, the auto carrier will issue an official **\*\*Benefit Exhaustion Letter / PIP Ledger\*\***. The billing team must secure this letter immediately; it serves as the key to clear the path for secondary health insurance billing, allowing subsequent claims to process without automatic rejections.