

CRASH!

► **INSIDE THIS ISSUE:**
NEW YORK STATE SUPPLEMENTARY
UNINSURED/UNDERINSURED
MOTORIST COVERAGE

► **GIVE US A CALL!** DO YOU HAVE
QUESTIONS OR COMMENTS ABOUT
P&C *INSIDER*, OR YOUR INDIVIDUAL
SITUATION? CONTACT OUR OFFICE-
WE WOULD BE GLAD TO SERVE
YOU IN ANY WAY THAT WE CAN.

P & C

Insider

STEERING INNOVATIVE SOLUTIONS FOR INDIVIDUALS AND BUSI-
NESSES TO REAP THE BENEFITS OF A COMPETITIVE
EDGE IN TODAY'S WORLD WITH SECURITY FOR TOMORROW'S...

Why doesn't everyone have the higher liability limits that I have on my policy?

You may have had an altruistic concern for people injured by your auto when you chose your liability limits, but most people choose limits based upon the following two considerations:

- 1) their perceived need for financial security when sued by someone else; and
- 2) 2) the cost of increasing their limits.

What New York law requires of motorists

Provided that New York insurance applies to an at-fault person's vehicle, you can anticipate compensation for your injuries up to the following statutory minimum amounts:

- \$25,000 for one person injured; and \$50,000 in aggregate for all persons injured.
- • \$50,000 for one person killed; and \$100,000 in aggregate for all persons killed.

One out of four vehicles insured in New York will have these minimum limits. The other 75percent may or may not maintain limits comparable to yours. In fact, some of these vehicles have no insurance at all.

What is SUM?

Supplemental Uninsured/Underinsured Motorists coverage pays what you should have been able to collect from the motorist(s) responsible for the injuries you suffer in an automobile accident.

You can select a SUM limit that gives you the financial security that you are looking for. The limit you choose, which cannot be higher than your own liability limit, is your maximum benefit. Up to this limit, your policy will pay your damages that exceed the amount received from at-fault motorists and/or their insurance companies.

Subject to your own liability limit, your insurance company must offer you SUM limits as high as \$250,000 for one person injured, and \$500,000 in

aggregate for all persons injured in the accident; or alternatively, a single \$500,000 limit, payable regardless of the number of persons injured.

of \$100,000 on your policy. Later, you were injured by a motorist having a minimum-limit liability policy, making \$25,000 the most you could collect for your injuries. Now, if your damages are \$60,000, then you could collect \$25,000 from the motorist at fault and \$35,000 under SUM coverage from your insurance company.

- If the negligent motorist had no insurance, then your SUM coverage would pay all \$60,000 in damages.
- • Had your damages been higher, an additional \$40,000 would have been available before using up your entire SUM limit.

Why not just make everyone buy higher limits?

Some motorists simply could not afford the higher premiums imposed, if statutory limits were raised for all motorists. Unfortunately, there are some motorists that defy the law and drive without insurance, regardless of the cost.

Legislators reasoned that it is better to have underinsured motorists on the road than to have an increase in uninsured motorists. Also, they felt the financial burden should be placed on those motorists who desire greater protection and have the means to pay for it.

Protect yourself. If you desire more protection for you and your family and can afford a very reasonable increase in premium, then don't leave your financial welfare to chance when an accident is caused by an uninsured or underinsured motorist. After all, you should be compensated to the same extent that a person you injure is compensated.

Your professional insurance agent can remove the gamble and put you in control of your own protection. Call or write for information today.

This is a coverage summary. Please refer to the actual endorsement for terms, coverage, condition, and exclusions.

New York State Supplementary Uninsured/Underinsured Motorists Coverage



In order to activate SUM coverage, any one of the following six conditions must pertain to the insurance of the motorist who is responsible for your injuries:

- 1) no insurance exists;
- 2) the owner and operator of the vehicle are unknown (hit and run);
- 3) insurance exists, but its liability limits are lower than your liability limits;
- 4) insurance exists, but its limits have been used up to pay others injured in the accident;
- 5) insurance exists, but it is unavailable because the claim was denied by the insurance company; or
- 6) insurance exists, but it is unavailable because the insurance company is insolvent.

Example

Let's assume you purchased a per-person SUM limit