

New York state supplementary uninsured/underinsured motorists coverage

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. the cost of increasing their limits.

What New York state law requires of motorists

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

- \$25,000 for one person injured; and \$50,000 in aggregate for persons injured.
- \$100,000 for one person killed; and \$200,000 in aggregate for persons killed.

One of your vehicles in New York state will have minimum limits. The other may not maintain limits comparable to yours. In fact, some of these vehicles have no insurance at all.

What is SUM?

Supplementary Uninsured/Underinsured Motorists coverage pays what you have been able to collect from the person responsible for the injury in your automobile accident.

You can select a SUM limit and the financial security level you are looking for. You cannot be higher than your own liability limits. Up to the limit of your policy, you can choose to exceed the minimum amounts for at-fault accidents and your own liability limits.

When you select a liability limit, your insurance must offer you SUM coverage with a limit of \$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, regardless of the number of persons injured.

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;

If insurance exists but it is unavailable because the limit is denied by the insurance company; or if insurance exists, but it is unavailable because the insurance company is insolvent.

Example

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

Unfortunately, there always will be some motorists that defy the law and drive without insurance, regardless of the cost. However, there are many more motorists that could not afford the higher premiums imposed, if statutory limits were raised for all motorists. Legislators reasoned that it is

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better to have **under**insured motorists on the road than to have an increase in **un**insured 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 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 policy agent can help you remove this risk from your policy of your own free will. Call your agent for information today.

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

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