

→ Sally has received the full benefits of all available coverage, or \$50,000 (\$25,000 + \$25,000). It will cover her attorneys fees, pay back some of the money she owes her health insurance carrier and pay some selected unpaid medical bills. She won't have much left. Medical providers will sue her for remaining unpaid balances. She is left, at least temporarily, with no health insurance and no job. She still doesn't know if she will ever be able to walk on her right leg.

The tragic scenario above cannot be simply wiped away by more money, but more money could help. Sally could use proceeds from insurance coverage to pay living expenses for her and her children. Those proceeds could provide income until Sally can work again. She could pay for additional surgery or health insurance premiums. More cash could keep Sally out of bankruptcy.

*How could more cash have been available?*  
UIM Coverage is the answer.

If Sally's UM/UIM Coverage would have been 500/1000 there would have been up to \$475,000 in additional coverage available after Billy's insurance paid the first \$25,000.

#### **How much UM/UIM Coverage should I have?**

The amount of coverage you should carry is an issue that should be discussed with your insurance agent. There are several factors to take into consideration in making that decision that must be evaluated on an individual basis. Most people do not have enough coverage to provide help of any significance if they are seriously injured by someone else. I see that all too often in my practice. Don't let it happen to you.



#### **What should I do now?**

Dig out your declaration page located in the front of your auto insurance policy. If you cannot find it, call your insurance agent, and ask for a copy. Find out how much UM/UIM Coverage you have. If your coverage is minimal, you should seek a quote for increasing your limits. Contact Bill Fawley at our office if you would like to discuss this topic further.



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**Why you probably need more Automobile Insurance Coverage**



**Miner & Lemon, LLP**

## **You don't know about your Automobile Insurance Coverage can cost you a bundle!**

Let's face it, insurance is boring. We are pretty sure we need it, and someone may have already convinced us to buy health insurance, life insurance, auto insurance, homeowners insurance, etc. But we have never actually read the policies. Most of us would not be able to understand them if we did.

One of the sections in your auto insurance policy you have never read concerns Uninsured/Underinsured Motorist Coverage (UM/UIM). If you are not sure what that coverage is or have not had a thoughtful conversation with your insurance agent about the amount of coverage you have, you should continue reading. What you don't know may cost you dearly if you are injured in a motor vehicle accident.

### **What is LIABILITY Coverage?**

UM/UIM Coverage only makes sense as it relates to liability coverage, which is the foundation of any auto insurance policy. So, what does my liability insurance coverage do for me? When you have a motor vehicle accident that is your fault, your liability insurance will pay for the bodily injuries and property damage that you cause to others in the accident, up to the limits of your coverage. Liability coverage at some level is required in most states. Indiana requires every vehicle using Indiana roads to have a minimum of \$25,000 per person and \$50,000 per accident in bodily injury coverage plus \$10,000 in property damage coverage.

Sometimes liability coverage limits are listed in a series of three numbers. For example, the minimum required liability limits in Indiana may be reported as 25/50/10. Those numbers correspond to the \$25,000 in coverage required per person for bodily injury, \$50,000 in coverage per accident for bodily injury and \$10,000 in property damage coverage per accident.



### **What is UM/UIM Coverage?**

Unfortunately, not everyone obeys the law regarding liability insurance. A small percentage of people still drive in Indiana without the required coverage. When they injure others there is NO insurance coverage on their behalf to pay damages. That is when Uninsured Motorist Coverage (UM) comes in. Your UM Coverage will pay, up to the limits of your coverage, for your damages or injuries if you are harmed by someone who does not have auto insurance or is a hit-and-run driver.

Sometimes motorists who carry liability coverage within the legal limits cause damages that are greater than their liability coverage. Your Underinsured Motorist Coverage (UIM) will pay (again, only up to the limit of your coverage) if the driver who hits you causes more damage than his or her liability limits can cover.

If you look at the declarations page of your auto policy there will be two numbers adjacent to the UM/UIM Coverage line. For example, if those numbers are 50/100 it means that the limits of your coverage are \$50,000 per person and \$100,000 per accident. After the liability limits of the person who caused the accident are paid in full to each injured person, the UIM Coverage kicks in to pay additional monies up to \$50,000 for each injured person or up to \$100,000 total for multiple injured persons.

### **How much UM/UIM Coverage am I required to have?**

In an era in which our government seems committed to dictating and regulating our behavior at almost every turn, it is incredible that 30 states do not require drivers to carry UM/UIM Coverage. Indiana is one of those states. You are not required by law to carry any UM/UIM Coverage!

### **What's the problem?**

Consider the following scenario:

Sally is not a real person, but she could be. Our office has handled several cases just like hers in recent months.

Sally is a 35 year old mother of two. She works for a small local business and makes \$35,000 a year. On Sally's way home from work on October 10, 2005, Billy (Age 19) crossed the center line and collided head on with Sally. She was severely injured, including the cuts, bruises and broken ribs that are common in serious accidents. She also suffered a closed head injury, and her right leg was mangled and broken in several places below the knee.

Complications from the head injury kept Sally in intensive care for seven days. During that time, one major surgery was performed to begin reconstruction of the right leg. The decision about whether the leg could be saved was postponed due to complications from the head injury. As the head injury resolved over the next nine months, five surgeries were performed on the leg. More will be needed. Sally is still in a wheelchair. Her employer has replaced her because she still cannot perform her job functions. She cannot afford to pay health insurance premiums for much longer.

In October of 2006, Sally contacted an attorney to see what could be done to ease her financial crisis. Her medical expenses, as a result of the accident, were over \$175,000. More was anticipated. She had already missed a year of work. She will miss more and may have to work from her wheelchair when she does seek employment again.

Billy's liability coverage is 25/50/10, the minimum required coverage in Indiana. His insurance company agreed to pay the full \$25,000. Billy is a college student and has no other way to pay for the damages he has caused.

Sally does have UIM Coverage (50/100). Her insurance company agreed to pay an additional \$25,000, therefore,

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