

Uninsured Motorist and Underinsured Motorist Coverage

As if learning that an employee was involved in an accident on company time isn't alarming enough, what happens when you find out the at-fault driver doesn't have coverage or is underinsured? While most states require drivers to maintain auto insurance, according to recent study by the Insurance Research Council (IRC), one in eight motorists remain uninsured.

The IRC study indicates that the magnitude of the uninsured motorist problem varies widely from state to state. Uninsured motorist (UM) and underinsured motorist (UIM) are coverage options added to your commercial auto policy for transferring risk in such unfortunate circumstances.

Coverage Overview

In the event a driver or passengers are injured due to the negligence of an uninsured or underinsured driver, you may seek compensation for injuries and damages through the UM and UIM portions of your policy:

- Uninsured motorist coverage is used when the at-fault driver can't pay due to lack of insurance.
- Underinsured motorist coverage is used when the driver's liability limits are lower than the costs of the accident.

The coverage typically has two components, but it varies from state to state:

- Coverage for bodily injury provides insurance for medical bills, funeral expenses, lost wages, pain and suffering, disfigurement and permanent or partial disability.
- Coverage for property damage provides insurance for auto repairs, total loss, rental car and damage to personal items carried in the vehicle.

The following are additional coverage considerations:

- For UM/UIM to pay, it must be established that the other driver was at fault. Comparative negligence allows for more than one person to be at fault for an accident. As a result, your company can reduce the settlement of your uninsured/underinsured motorist claim by the percentage of fault attributable to you.
- UM coverage pays losses up to the coverage limits from an accident caused by a hit-and-run driver, but be sure to report the accident promptly.
- Commercial excess liability policies typically exclude UM/UIM coverage.

Coverage Limits

A risk management best practice for UM/UIM is to set the limits equal to your commercial auto bodily injury and property damage limits. Since UM and UIM coverage protects you, adequate limits are critical. Please contact

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us to learn about all the limit options available.

Knowledgeable and Trustworthy

Gallagher Risk Management - Tulsa understands state automobile policy coverage requirements and will work with you to ensure you have the right coverages and limits in place that minimize your uninsured or underinsured exposures on the road. Contact us at (918) 584-1433 to learn more.

**COVERAGE
INSIGHTS**