

PERSONAL LINES

Uninsured/Underinsured Motorist Coverage

How to Explain Any Coverage: Tips & Tricks

- 2 Sentences & A Question: Make it a conversation
- Nana Principle: Use the vocabulary you would use with your Nana (nothing complicated)
- Be Concise: try not to talk in circles
- Tell A Story to Illustrate the Coverage
- Always talk about pricing in monthly amounts
- If someone is not interested ask a few more questions and always document your system

Coverage Explanation

Uninsured/Underinsured Motorist (UM/UIM) coverage is a type of auto insurance that protects policyholders when they are involved in an accident with a driver who either has no insurance or inadequate insurance to cover the damages. This coverage is designed to help individuals who are not at fault in an accident but would otherwise struggle to recover costs from an uninsured or underinsured driver.

Here's a breakdown of the two components:

1. Uninsured Motorist Coverage (UM):

- Uninsured Drivers: If you are involved in an accident with a driver who doesn't have insurance, UM coverage can help cover your medical expenses, property damage, and other losses.
- Hit-and-Run Accidents:* UM coverage often extends to hit-and-run accidents where the at-fault driver cannot be identified or located.

2. Underinsured Motorist Coverage (UIM):

- Underinsured Drivers: If the at-fault driver has insurance, but their coverage limits are insufficient to cover all your expenses, UIM coverage can make up the difference.
- Medical Expenses: UIM coverage may help with medical bills, lost wages, and other expenses that exceed the limits of the at-fault driver's insurance.

It's important to note that UM/UIM coverage is optional in many jurisdictions, but some states may require insurance providers to offer it, allowing policyholders to either accept or reject it. Even if it's not mandatory, having UM/UIM coverage can be valuable, especially considering the number of uninsured or underinsured drivers on the road.

When considering UM/UIM coverage, it's essential to understand the policy limits, as they dictate the

maximum amount the insurance company will pay in the event of a claim. It's recommended to discuss your specific needs and concerns with your insurance provider to determine the appropriate coverage limits for your situation.

How the Policy Helps Clients

Uninsured/Underinsured Motorist (UM/UIM) Coverage provides several benefits to clients in the unfortunate event of an accident involving an uninsured or underinsured motorist:

1. **Financial Protection:** If you are involved in an accident with a driver who doesn't have insurance (uninsured) or doesn't have sufficient coverage (underinsured), your UM/UIM coverage helps protect you financially. It can cover medical expenses, property damage, and other losses, reducing the financial burden on you.
2. **Medical Expenses Coverage:** UM/UIM coverage typically extends to cover medical expenses resulting from the accident. This can include hospital bills, rehabilitation costs, and other medical treatments necessary for your recovery.
3. **Lost Wages Compensation:** In the aftermath of an accident, you may face a period of time where you are unable to work due to injuries. UM/UIM coverage can help compensate for lost wages during your recovery.
4. **Property Damage Coverage:** If your vehicle or other property is damaged in an accident with an uninsured or underinsured driver, UM/UIM coverage can help cover the repair or replacement costs.
5. **Hit-and-Run Incidents:** UM coverage often includes protection in hit-and-run situations. If the at-fault driver flees the scene and cannot be identified, your UM coverage can step in to cover your losses.
6. **Peace of Mind:** Knowing that you have UM/UIM coverage can provide peace of mind while driving, especially considering that not all drivers on the road have adequate insurance coverage. This assurance allows you to focus on your well-being rather than worrying about the financial consequences of an accident caused by an uninsured or underinsured motorist.

It's crucial for clients to carefully review and understand the terms and conditions of their UM/UIM coverage, including policy limits and any exclusions. Working closely with them to tailor the coverage to their specific needs ensures that clients receive the maximum benefits in case of an accident with an uninsured or underinsured driver.

Example of Claims

Claims for Uninsured/Underinsured Motorist (UM/UIM) Coverage can arise in various situations where the at-fault driver either has no insurance or lacks sufficient coverage to fully compensate the victim. Here are some examples of scenarios where UM/UIM coverage might come into play:

1. **Accident with an Uninsured Driver:**
 - If another driver, who is at fault for the accident, doesn't have any auto insurance, your UM coverage can help cover your medical expenses, property damage, and other losses.
2. **Hit-and-Run Incidents:**
 - In cases where the at-fault driver flees the scene and cannot be identified (a hit-and-run), your UM

coverage can provide compensation for your medical bills, vehicle repairs, and other damages.

3. Underinsured Driver Situations:

- If the at-fault driver has insurance but their coverage limits are insufficient to cover all your expenses, your UIM coverage can step in to make up the difference. This could include medical bills, lost wages, and property damage.

4. Pedestrian or Bicyclist Accidents:

- UM/UIM coverage may extend to situations where you are a pedestrian or cyclist involved in an accident with an uninsured or underinsured motorist.

5. Passenger in Another Vehicle:

- If you are a passenger in a vehicle involved in an accident with an uninsured or underinsured driver, you may be able to make a claim under your own UM/UIM coverage.

6. Out-of-State Accidents:

- UM/UIM coverage can also be applicable when you are involved in an accident with a driver who is uninsured or underinsured in a state where the insurance requirements are different from your home state.

7. Inadequate Coverage for Multiple Victims:

- In accidents involving multiple victims, the at-fault driver's insurance may not be sufficient to cover all the damages. Your UIM coverage can help bridge the gap, ensuring that you receive adequate compensation.

It's important to review the specific terms and conditions of the insurance policy to understand the coverage limits and any exclusions that may apply to UM/UIM claims. Additionally, promptly reporting accidents and cooperating with insurance company's claims process is crucial to ensuring a smooth resolution of a claim.

How to Explain It to Clients

When explaining Uninsured/Underinsured Motorist (UM/UIM) Coverage to a client, you can use the following key points to help them understand the importance and benefits of this type of insurance:

1. Protection Against Uninsured Drivers:

- UM coverage provides financial protection in case you are involved in an accident with a driver who does not have any auto insurance. Without this coverage, you might be left to cover your own expenses in such situations.

2. Coverage for Hit-and-Run Accidents:

- UM coverage extends to hit-and-run incidents where the at-fault driver cannot be identified. This is crucial because hit-and-run accidents are relatively common, and without UM coverage, it can be challenging to recover damages.

3. Bridge the Gap with Underinsured Drivers:

- UIM coverage comes into play when the at-fault driver has insurance, but their coverage limits are not sufficient to cover all your expenses. UIM helps bridge the gap, ensuring you receive the full compensation you need for medical bills, lost wages, and other damages.

4. Comprehensive Protection for You and Your Passengers:

- UM/UIM coverage provides comprehensive protection not only for you but also for your passengers. Whether you are driving, riding in someone else's car, or even walking or cycling, this coverage can be a

financial safety net in various scenarios.

5.*Peace of Mind on the Road:

- Having UM/UIM coverage offers peace of mind when you're on the road. Knowing that you are protected in case of an accident with an uninsured or underinsured driver allows you to focus on your well-being rather than worrying about potential financial repercussions.

6. Affordable Addition to Your Policy:

- Emphasize that UM/UIM coverage is often an affordable addition to an auto insurance policy. Considering the potential costs of an accident with an uninsured or underinsured motorist, the investment in this coverage is relatively small for the protection it provides.

7. State-Specific Requirements:

- Explain any state-specific requirements or regulations related to UM/UIM coverage. Some states may mandate insurance providers to offer this coverage, while in others, it might be optional. Ensure your client understands the regulations in their particular state.

8. Policy Limits and Options:

- Discuss the importance of choosing appropriate policy limits based on the client's needs. Higher limits provide more coverage but may come with slightly higher premiums. Help the client find a balance that suits their budget and risk tolerance.

By addressing these points, you can provide a clear and comprehensive explanation of UM/UIM coverage, helping your client make informed decisions about their auto insurance policy.

Common Objections

Objection	Response
"I can't afford additional coverage."	"While adding UM/UIM coverage might increase your premium slightly, it's a crucial protection. If you're involved in an accident with an uninsured or underinsured driver, you could be left with significant expenses. UM/UIM coverage ensures that you're financially protected in such situations, potentially saving you money in the long run."
"I have health insurance, so I don't need UM/UIM coverage."	"Health insurance may cover medical expenses, but UM/UIM coverage goes beyond that. It also helps with other costs like lost wages, pain and suffering, and in some cases, property damage. Additionally, it can provide coverage for passengers in your vehicle who may not have their own health insurance."
"I trust other drivers to have adequate insurance."	"While most drivers carry insurance, there's still a risk of encountering uninsured or underinsured motorists. Accidents happen, and relying solely

	<p>on others to have sufficient coverage is a gamble. UM/UIM coverage gives you peace of mind knowing you're protected in case you're involved in an accident with an inadequately insured driver."</p>
<p>"I have collision coverage, so I'm already protected."</p>	<p>"Collision coverage helps with repairs to your vehicle in the event of an accident, but it doesn't cover your medical expenses or other losses resulting from the accident. UM/UIM coverage complements collision coverage by providing additional financial protection for you and your passengers."</p>
<p>"I don't drive often, so the risk is low."</p>	<p>"Even if you don't drive frequently, you're still at risk of being involved in an accident with an uninsured or underinsured motorist. It takes just one incident to result in significant financial consequences. UM/UIM coverage is there to protect you when you least expect it."</p>
<p>"I don't fully understand what UM/UIM coverage includes."</p>	<p>"I can provide you with detailed information about UM/UIM coverage and help you understand the specific benefits it offers. It's essentially a safety net that covers medical expenses, lost wages, and other costs resulting from accidents with drivers who lack sufficient insurance. Having a clear understanding of this coverage can empower you to make informed decisions about your insurance protection."</p>

Remember that the responses should be tailored to address the specific concerns and priorities of the individual. It's important to emphasize the potential financial risks of not having UM/UIM coverage and highlight the added protection it provides in various scenarios.