



Butwin Insurance Group
Founded 1925

Understanding Uninsured and Underinsured Motorist Coverage

One of the Most Important but Often Ignored Coverages

What happens when the driver who hit you doesn't have or doesn't have enough liability coverage? Or, even worse, takes off? Uninsured and Underinsured Motorist (UM/UIM) coverages exist to financially protect you from irresponsible and underinsured drivers. This covers both you and the passengers in your car. It follows you to other cars including friends, taxis, Uber or rentals. It even covers you if you are injured or killed by a car while walking, jogging or biking, even though you are not in your car. Coverage is primary or stacked (excess) over your health insurance and Workers Compensation.

Coverages include:

- Medical expenses
- Physical therapy
- Lost wages
- Death benefits
- Rehabilitation
- Medical aids & devices
- Pain & suffering

Many people reject, are offered only minimum limits, or are not even offered Uninsured and Underinsured Motorists coverage when they are buying auto insurance. This coverage is commonly seen on insurance policies as UM/UIM coverage. Going without this coverage completely or having too little means you may be at risk. This is an area where many insurance companies and brokers cut corners to make you think their coverage is less expensive.

Another advantage to UM/UIM coverage is that once you've reported the accident to your insurer and they've discovered the other driver has insufficient coverage, your insurer would pay the difference immediately and then go after the driver to get paid. This is known as subrogation. The other driver doesn't get out of the financial responsibility, but it saves you the time of having to take the other driver to court to collect damages.



**THIS COVERAGE IS
INEXPENSIVE AND
IMPORTANT**

Butwin Insurance Group **STRONGLY** recommends that most automobile policies have the same UM/UIM limits as their Auto Liability, plus the Umbrella limits if available.*

**Contact a Butwin
Insurance Professional
to Learn More
516-466-4200
or visit us at
Butwin.com**

*There are important exceptions in certain commercial situations.

" 2 A.M. is a lousy time to find out you chose the wrong insurance broker. "

Possible Exceptions for Commercial Automobile

UM/UIM provides a great bundle of coverages (benefits) for little premium. When it comes to a Commercial Auto policy the drivers may be mostly or entirely employees. While providing this coverage is a very nice perk, it comes with also owning the claims on your loss experience, which are almost always large. This may increase the cost of your insurance or reduce availability for years.

Therefore, while counter-intuitive, if your fleet of commercial autos are exclusively driven by employees it might be a better idea to purchase as little UM/UIM as possible. The issue becomes more complicated if there are Private Passenger vehicles for the owners and top executives on the policy. Ideally those vehicles might be registered personally to eliminate this complication. A compromise might be to continue to own or lease the cars corporately but register them personally.



Contact a Butwin Insurance Professional

We encourage you to have an in-depth conversation with a Butwin Insurance Professional so we can better understand your exposures and options. Only then can we both be in position to make an educated decision.

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