

Uninsured or Underinsured Motorists Coverage



for Henry Ford Health System employees

Did you know ...

When a driver refuses or is unable to carry proper motor vehicle insurance, that driver puts everyone at risk.

Every U.S. State requires that all drivers carry auto insurance. However, some drivers neglect to do so.

What is Uninsured Motorists Coverage?

Uninsured Motorist Coverage (UM) provides protection to you and your family from an uninsured driver as stated in your policy. Without UM, there may be no compensation for your excess economic and non-economic losses for injury or death if caused by an uninsured driver.



Example: you are involved in an auto accident which leaves you limited motion in one arm with pain and suffering. As a result, you are now placed in a lower paying job because you can no longer perform your prior duties before the accident. The other driver is at-fault and is legally liable to you for \$250,000 in damages but does not have any insurance.

By carrying UM coverage, you can collect up to the coverage amount you purchased. In this example, the \$250,000 would come from your insurance company if you purchased \$250,000 or more of UM coverage. If you purchased less than \$250,000, you would collect up to your coverage amount.

UM coverage also protects you in the case of a hit-and-run where identifying the driver is impossible.

What is Underinsured Motorists Coverage?

Underinsured Motorist Coverage (UIM) provides additional coverage for injuries you suffer to the extent of the limits you purchase exceed the limits the at-fault parties have for liability claims. It provides a way for you to recover damages the at-fault drivers insurance company would have paid you if the at-fault driver purchased higher liability limits.

Using the same example as before, but now the at-fault driver has auto insurance. He purchased 20/40. Assuming again your recoverable damages are \$250,000, the at fault drivers company pays \$20,000 (that's all he purchased) you are left with \$230,000 in uncollected damages. You can collect the balance of your damages under your UIM coverage to the extent your limits exceed \$20,000.

NOTE

Minimum liability limits are often inadequate to compensate an injured person.

Contact **Sue Hall**, your Henry Ford Health System Voluntary Benefits representative for home and auto insurance. It is important that your insurance meets and exceeds your needs.

Sue Hall
586.446.3616

shall@alcos.com
www.alcos.com/hfhs



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