

Buying UM/UIM Coverage (uninsured, underinsured motorist coverage)

It is much easier to save money on your car insurance than your home insurance. Insurers compete hard for auto customers. That's because it's easier for them to make a profit and the risks are much more predictable.

So if you have a decent driving record and an average value car, you can get all the “bucks for the bang” you need without spending a fortune. Plus you can probably afford to buy good protection for injury accidents – not just the bare minimum your state requires you to carry. Remember – UP does not sell insurance, so if we suggest that you consider increasing your bodily injury and property damage limits – you can trust that it's for your own good – not ours...

Given that one in every seven drivers has no insurance, ***it's essential to carry plenty of uninsured (UM) and underinsured motorist insurance (UIM)***. There are two kinds of UIM: “Excess” and “Set-off.” ***Excess is better.***

Let's say you're injured in an accident caused by Mr. Distracted and you suffer \$150,000 in damages and medical bills. Mr. Distracted only has \$50,000 of bodily injury coverage. You have \$100,000 in UIM coverage. If you have an Excess UIM policy: You recover a total of \$150,000, your full \$100,000 in UIM benefits plus \$50,000 from Mr. Distracted.

If you have a Set-off UIM policy: You only collect \$100,000, half of your UIM benefits \$50,000, plus Mr. Distracted's \$50,000, because your benefits are offset by the amount of his insurance. UP supports legislation to give consumers better UIM options.

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