

Uninsured and Underinsured Motorist

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Overview

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Uninsured motorist (UM) and underinsured motorist (UIM) are first-party coverages, meaning that the payout is for the **insured drivers** on the policy, NOT the third party. Often just called uninsured motorist, this coverage refers to two separate insurance coverages that are typically categorized together:

- **Uninsured motorist** bodily injury and property damage: available for damages caused by an at-fault driver who doesn't have **any** insurance
 - Depending on the state, this could also apply to a hit-and-run driver where the owner cannot be identified
- **Underinsured motorist** bodily injury and property damage: available for damages caused by an at-fault driver who doesn't have **enough** liability coverage to cover all of the damages from the accident

The limits of UM/UIM coverage are broken up into bodily injury and property damage, similar to liability. UM/UIM is not a required coverage in all of our states. Here are the requirements by state for UM/UIM bodily injury and property damage:

UM/UIM Bodily Injury								
	IL	IN	MD	OH	TN	TX	VA	GA
Required?	Y	N	Y	N	N	N	Y	N
Minimum limit per person/accident	\$25,000/ \$50,000	\$50,000/ \$50,000	\$30,000/ \$60,000	\$25,000/ \$50,000	\$25,000/ \$50,000	\$30,000/ \$60,000	\$30,000/ \$60,000	\$25,000/ \$50,000

UM/UIM Property Damage								
	IL	IN	MD	OH	TN	TX	VA	GA
Required?	Y	N	Y	N	N	N	Y	N
Minimum limit	\$15,000	\$25,000	\$15,000	\$7,500	\$15,000	\$25,000	\$20,000	\$30,000
Deductible	\$250	\$0 or \$300	\$250	\$250	\$200	\$250	\$200	\$250, \$500, or \$1000.

UM/UIM Bodily Injury

UM/UIM Bodily Injury

UM/UIM bodily injury covers you, the insured members of your household, and your passengers for medical expenses, loss of income, funeral expenses, pain, and inconvenience that are caused by an uninsured or underinsured vehicle, up to your policy limits.

The amount payable under underinsured bodily injury will be reduced by the total amount paid towards bodily

injury by the responsible party. Generally, you cannot get more than your limits no matter **who** is paying for the damage.

+ UIM BI Payout Example

UM/UIM Property Damage

UM/UIM Property Damage

UM/UIM property damage covers your insured vehicle for property damage caused by an uninsured or underinsured vehicle, up to your policy limits. The payout of underinsured property damage works similarly to bodily injury in that the available limit will be reduced by the total amount paid towards property damage by the responsible party.

+ UM Property Damage in IL and OH

+ UM Property Damage in IN

+ UM Property Damage in GA

Waiver Requirements

Waiver Requirements

Depending on whether the customer elects to waive or carry UM/UIM at a lower limit than liability, there are different waiver requirements for each state. Once a policy is bound, the customer has **7** days to sign and return the waiver, or the coverage will be added back on the policy. Here are the waiver requirements by state:

	IL	IN	MD	OH	TN	TX	VA	GA
No UM/UIM	N/A*	waiver	N/A**	N/A	waiver	waiver	N/A**	waiver
UM/UIM with lower limits	N/A*	waiver	waiver	N/A	waiver	N/A	waiver	waiver

* IL requires UMBI at state minimum limits. UMPD can be left off without a waiver.

** VA and MD require UMBI and UMPD

See more about waivers [HERE](#).

EUIM (MD)

EUIM (MD)

In addition to UIM in MD, there is an enhanced underinsured motorist coverage that customers can elect to carry. Here is a breakdown of the differences between typical underinsured motorist and enhanced underinsured motorist (EUIM).

Generally, with typical UM, your payout will never be larger than your limits no matter **who** is paying for the damage - whether that's your insurance or another party.

With enhanced underinsured motorist, the amount of coverage you have access to isn't affected by other payouts. Even when carrying the same limits as the third party, you would still have access to your full UM limits in the event of an accident. The coverage essentially makes your underinsured payout work independently of any other party's payments towards damages. Keep in mind that the total payout will never be more than the actual damages suffered.

+ EUIM Waivers

+ How EUIM Works

+ Explaining EUIM to a Customer

Added-On UM (GA)

Added-ON UM (GA)

There are 3 options for UM in Georgia.

Coverages for All Vehicles

Bodily Injury Liability	Yes	\$100,000/\$300,000
Property Damage Liability	Yes	\$100,000
GA Added-On or Reduced Coverage	Yes	Reduced_Coverage
Uninsured/Underinsured Motorist - Bodily Injury	Yes	GA_Added-On
Uninsured/Underinsured Motorist - Property Damage	Yes	Reduced_Coverage
Uninsured/Underinsured Motorist - Property Damage Limit		\$100,000
UMPD Deductible		\$1,000

3 Options

- Added-On**: This coverage functions *similar* to MD's EUIM. "This makes sure that the amount of coverage you have access to isn't affected by other payouts."
- Reduced***: This functions like standard UM in other states
- No Coverage***: This waives ALL UM

If NOT carrying Added-On, a waiver is required!

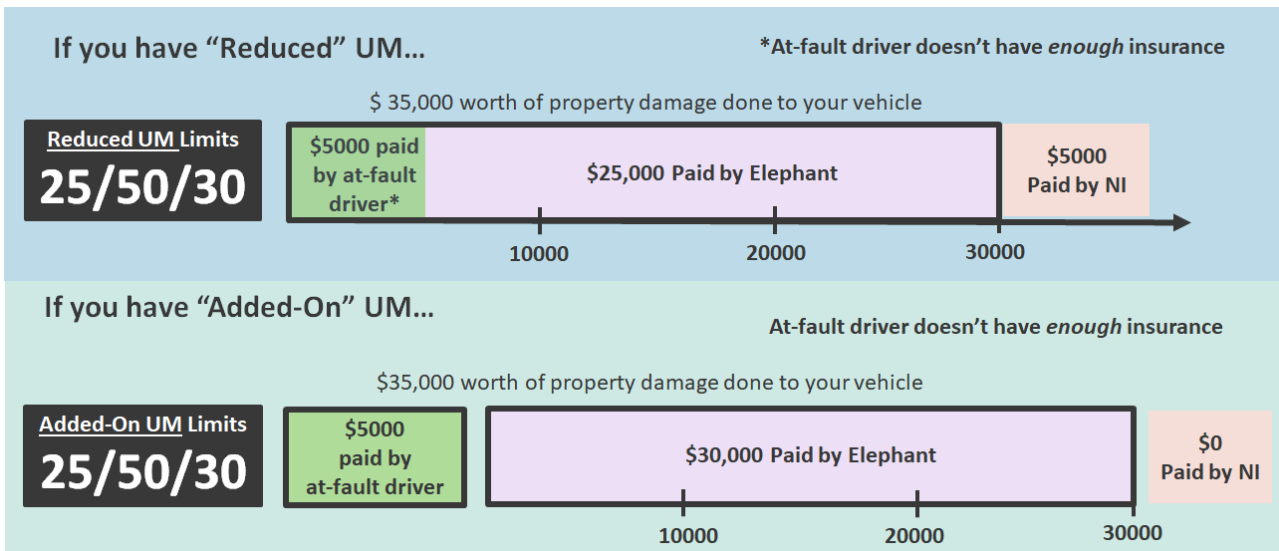
If they have UMPD, you must select a deductible: \$250, \$500, or \$1000.

Georgia's default is Added-On UM; if they choose to have it NO waiver is generated.

A WAIVER generates if...

- Choosing NOT to carry UM at all
- Electing to carry "Reduced" UM
- Carrying lower limits than Liability

What's the difference?



Increased Uninsured Motorist VA

Increased Uninsured Motorist VA

There are 2 options for UM in Virginia starting for policies or renewals on or after 7/1/2023

Coverages for All Vehicles			
Bodily Injury Liability	Yes	\$50,000/\$100,000	
Property Damage Liability	Yes	\$50,000	
Uninsured Motorist Selection	Yes	Basic	
Uninsured/Underinsured Motorist - Bodily Injury	<input checked="" type="checkbox"/>	<div style="border: 1px solid black; padding: 2px;"> 2 Options Basic Increased </div>	
Uninsured/Underinsured Motorist - Property Damage	<input checked="" type="checkbox"/>	\$50,000	

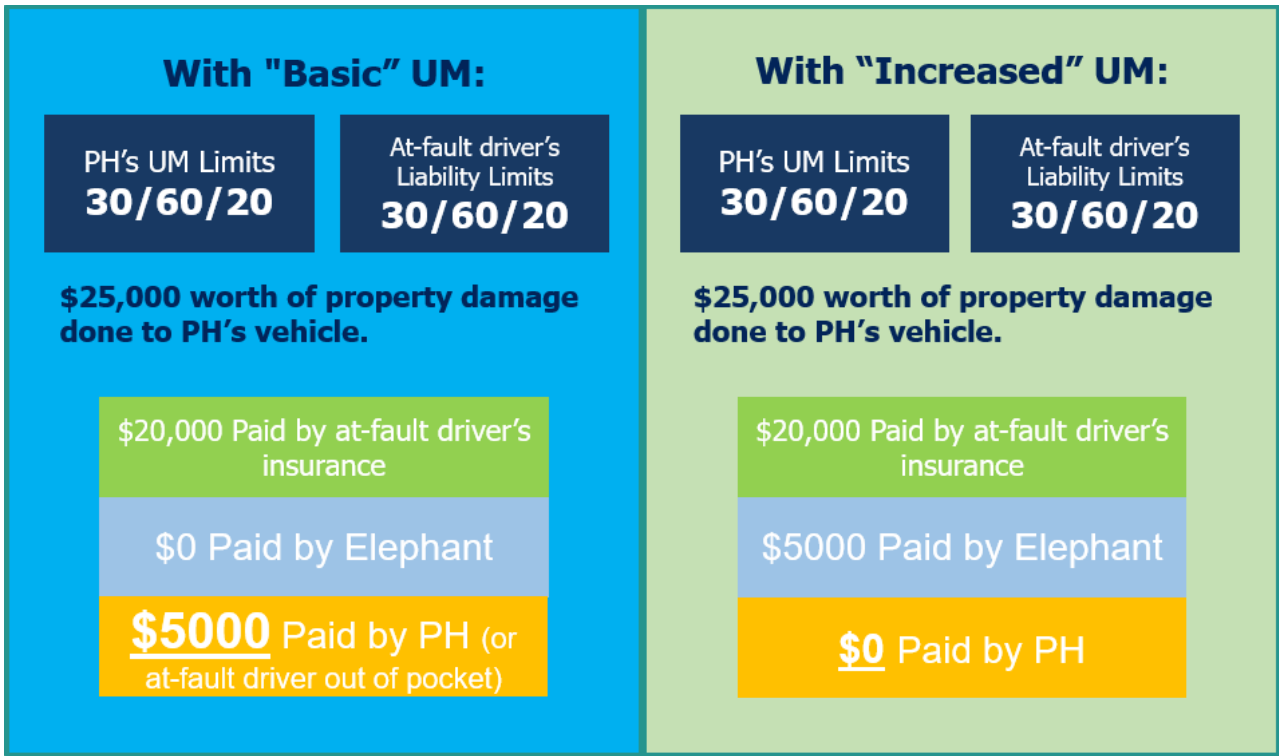
Basic
This functions like standard UM in other states
(A waiver is required for Basic coverage)

Increased
This coverage functions *similar* to MD's EUIM.
"This makes sure that the amount of coverage you have access to isn't affected by other payouts."

Virginia's default will be Increased UM; if they choose to have it, NO waiver is Generated.

A waiver will be required if they want to keep Basic UM. This must be returned within 7 days of new business.

What's the difference?



Waivers by State

Waivers by State

Some states require written proof that the customer rejected a coverage.

When this happens we send a waiver that **can only be signed by the Named Insured.**

Authorized users and Spouses cannot sign waivers

When binding an auto policy with waivers, it's very important to advise the customer that:

- 1) They need to sign and return the waiver within **7 days** of binding the policy.
- 2) What **happens when they don't sign the waiver** within that timeframe

		GA	IL	IN	MD	OH	TN	TX	VA
Personal Injury Protection		-	-	-	if Guest only	-	-	if rejecting PIP	-
UM	Rejecting all UM	waiver	UMBI required	waiver	UM required	none	waiver	waiver	UM required
	Lower limits than liability	waiver	waiver	waiver	waiver	none	waiver	none	waiver
	Reduced UM	waiver	-	-	-	-	-	-	-
	Added on UM	none	-	-	-	-	-	-	-
EUIM		-	-	-	waiver	-	-	-	-

+ GA: Added-On Underinsured Motorist

+ MD: Enhanced Uninsured Motorist

What happens if they don't sign a waiver?

What happens if they don't sign a waiver?

- | | |
|---|------------------------------|
| + Waiving all UM | (GA, IN, IL, TX, and TN) |
| + Electing lower UM limits than Liability | (GA, IN, TN, MD, IL, and VA) |
| + Rejecting PIP | (TX) |
| + Electing to carry Guest PIP Only | (MD) |
| + Electing to carry EUIM | (MD) |
| + Rejecting Added-on UM | (GA) |

Waiver Walkthroughs

Waiver Walkthroughs

+ UM

+ PIP

+ GA: Added on UM
