

# UM/UM, PIP, Med Pay, & Income Loss

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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
<b>Required?</b>	Y	N	Y	N	N	N	Y	N
<b>Minimum limit</b> 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	\$50,000/ \$100,000	\$25,000/ \$50,000

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

## UM/UIM Bodily Injury & Property Damage

### UM/UIM Bodily Injury & Property Damage

**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.

**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.

## UIM BI Payout Example

## 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
<b>No UM/UIM</b>	N/A*	waiver	N/A**	N/A	waiver	waiver	N/A**	waiver
<b>UM/UIM with lower limits</b>	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 UIM, 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 UIM 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	<b>Reduced Coverage</b>
Uninsured/Underinsured Motorist - Bodily Injury	Yes	GA Added-On
Uninsured/Underinsured Motorist - Property Damage	Yes	Reduced Coverage
Uninsured/Underinsured Motorist - Property Damage Limit		No Coverage
UMPD Deductible		\$100,000

**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!**

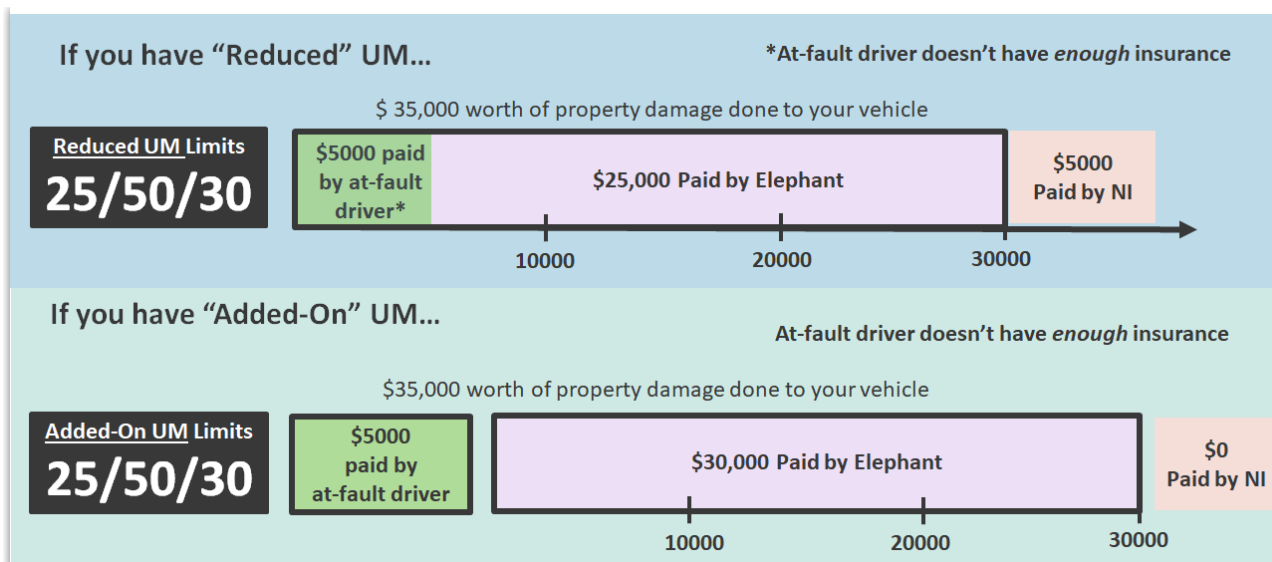
**If they have UMPD, you must select a deductible:**  
\$250, \$500, or \$1000.

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"/>	2 Options Basic Increased
Uninsured/Underinsured Motorist - Property Damage	<input checked="" type="checkbox"/>	\$50,000

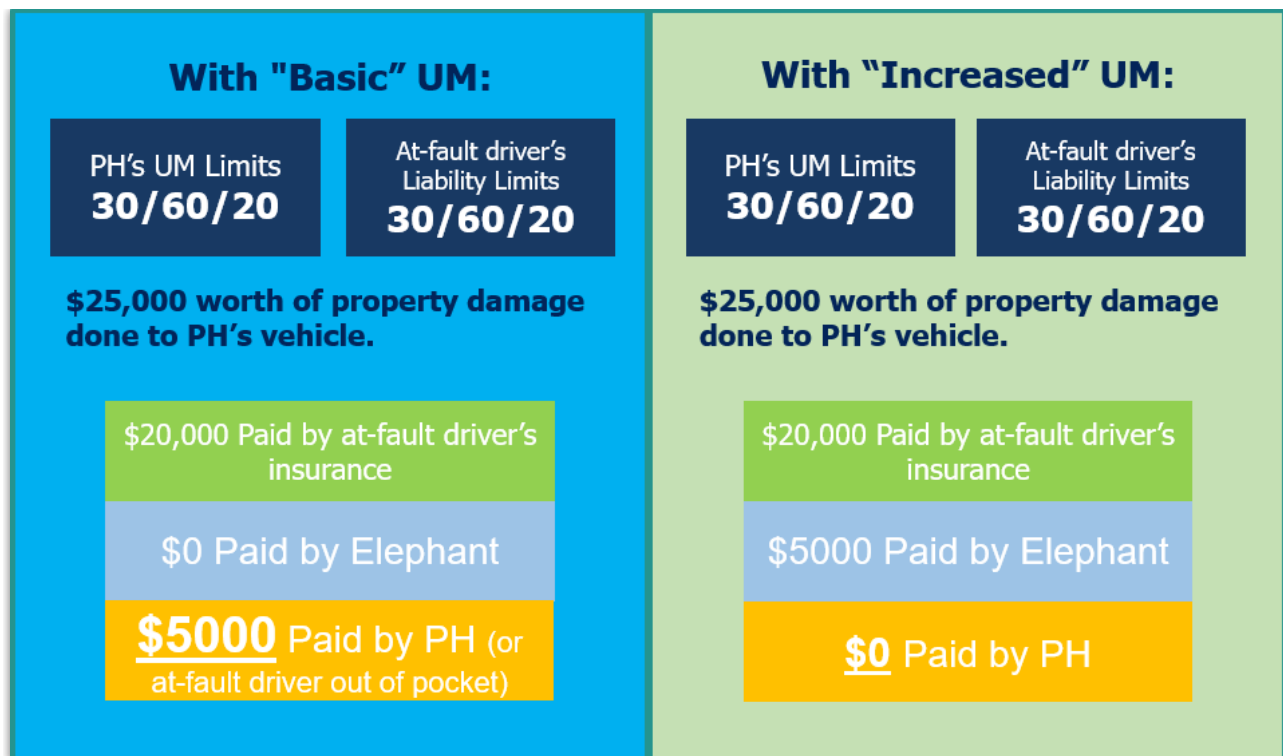
**Basic**  
This functions like standard UM in other states  
( A waiver is required for Basic coverage)

**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

### Default Coverage if Waivers are not signed

Default Coverage if Waivers are not signed								
Defaulted Coverage if Waivers are not signed								
STATE	GA	IL	IN	MD	OH	TN	TX	VA
PIP	-	-	-	Guest PIP	-	-	Included if not waived	-
Rejecting all UM	Included if not waived	UMPD included if not waived, UMBI Is required	Included if not waived	UM Required	N/A	Included if not waived	Included if not waived	UM Required
Lower Limits than Liability	Adjusted to same limits as liability	Adjusted to same limits as liability	Adjusted to same limits as liability	Adjusted to same limits as liability	N/A	Adjusted to same limits as liability	N/A	Adjusted to same limits as liability
Reduced UM	Will change back to added on if waiver is not signed	-	-	-	-	-	-	-
Added on UM	Default if waiver not signed	-	-	-	-	-	-	-
EUIM	-	-	-	Policy effective <b>before</b> 07/01/2024: <u>Removed</u> if waiver is not signed  Policy effective <b>on or after</b> 07/01/2024: <u>Added</u> if waiver is not signed	-	-	-	-
UMP Deductible	\$500	\$250	\$0	\$250	\$250	\$200	\$250	\$200
Basic UM	-	-	-	-	-	-	-	Increased UM will be added on

<input type="checkbox"/> <b>Waiving all UM</b>	<b>(GA, IN, IL, TX, and TN)</b>
<input type="checkbox"/> <b>Electing lower UM limits than Liability</b>	<b>(GA, IN, TN, MD, IL, and VA)</b>
<input type="checkbox"/> <b>Rejecting PIP</b>	<b>(TX)</b>
<input type="checkbox"/> <b>Electing to carry Guest PIP Only</b>	<b>(MD)</b>
<input type="checkbox"/> <b>Electing to carry EUIM</b>	<b>(MD)</b>
<input type="checkbox"/> <b>Rejecting Added-on UM</b>	<b>(GA)</b>

## Waiver Walkthroughs

### Waiver Walkthroughs

For all required waivers, only the customer will receive the email for the DocuSign, and they must be returned within 7 days.

#### ☐ **UM**

## PIP

## GA: Added on UM

## PIP, Med Pay, & Income Loss

### PIP, Med Pay, & Income Loss

Personal injury protection and medical payments are first-party coverages that pay for reasonable and necessary **medical expenses** and **funeral services** resulting from a motor vehicle accident. Medical expenses include services provided by a licensed health care provider such as ambulance, hospital, surgical, medical, dental, x-ray, professional nursing, and pharmaceutical services. To determine if the medical expense is reasonable and necessary, we may use independent sources such as physician exams, review of medical records, and programs for analysis of medical treatment and expenses. Medical payments coverage is called medical expense benefits in VA.

Here is a breakdown of first-party medical coverage offered by state, along with the statute of limitations, and whether income loss is included:

	GA	IL	IN	MD	OH	TN	TX	VA
<b>1st party medical offered</b>	Med Pay	Med Pay	Med Pay	PIP	Med Pay	Med Pay	PIP	MEB
<b>Requirements</b>	Optional	Optional	Optional	Guest PIP	Optional	Optional	Optional	Optional
<b>Waiver needed?</b>	No	No	No	Yes (to waive full PIP)	No	No	Yes	No
<b>Statue of Limitations</b>	1 year	3 years	2 years	3 years	8 years	3 years	3 years	3 years
<b>Income loss included?</b>	Not offered	Not offered	Not offered	Yes	Not offered	Not offered	Yes	Separate coverage

## PIP in TX and MD

### PIP in TX and MD

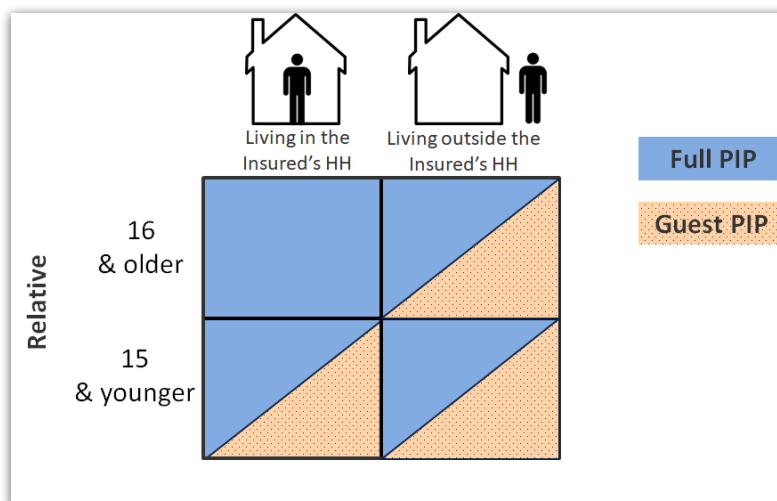
In addition to medical benefits and funeral expenses, personal injury protection (PIP) also includes loss of essential services benefits and loss of income benefits. **Loss of essential services** is designed to reimburse expenses accrued for services usually performed by the insured for the care and maintenance of the household while they are out on disability. This benefit would only be applicable to insureds not currently working at the time of the accident. **Loss of income benefits** is available to pay a percentage of the gross income lost by an insured while disabled from a vehicle accident (85% in MD; 80% in TX).

#### Guest vs. Full PIP in MD

In MD, the customer has the option to purchase either guest or full PIP. **Full PIP** would provide coverage for all insureds on the policy in addition to all passengers in the vehicle. **Guest PIP**, on the other hand, only provides coverage for guest passengers in the vehicle and any resident relative age 15 or younger. Guest PIP does **not** provide coverage for the insured, any drivers on the policy, or resident relatives age 16 or older.



Use this chart to understand the difference between how Full PIP and Guest PIP cover relatives:



If the customer chooses to carry only guest PIP, a waiver would need to be electronically signed within 7 days of the bind date, or full PIP will be added onto the policy.

### PIP Unacceptable Risks

In Texas, there cannot be **more than two** PIP claims from the past 3 years across all rated drivers.

In Maryland, there cannot be **more than one** PIP claim from the past 3 years across all rated drivers.

## Income Loss in VA

### Income Loss in VA

Separate from medical expense benefits, VA also offers **income loss benefits**. This coverage helps to reimburse the insured for income lost as a result of an injury from a vehicle accident. The limit for income loss is \$100 a week multiplied by the number of vehicles on the policy up to a max of four vehicles. The statute of limitations on this coverage is one year from the date of the incident.