FAQ’s on Uninsured/Underinsured Motorists Coverage (UM)

WHAT IS UNINSURED MOTORIST COVERAGE?

Uninsured Motorist Coverage provides Bodily Injury which includes medical expenses, lost wages, and other injury related expenses when an accident is caused by an uninsured or underinsured driver. Uninsured Motorist coverage is mandatory in Vermont, with minimum limits of $50,000 per person/$100,000 aggregate for Bodily Injury and a maximum limit of $10,000 for Property Damage.

However, most insurance companies will allow you to purchase uninsured motorist benefits in an amount equal to your policy liability limits. Thus, if you have a $100,000.00/$300,000.00 liability policy for example, you usually will be able to purchase uninsured motorist benefits in that amount as well.

It is strongly recommended that you opt to have your uninsured motorist coverage match your policy liability limits.

WHO IS INSURED UNDER MY UNINSURED MOTORIST POLICY?

When you purchase Uninsured Motorist coverage on your personal auto policy, it provides coverage for you and all members of your family who reside in your household with you. It would also include any passenger in your vehicle and minor children of yours who do not reside with you or your children who are away at college.

Uninsured Motorist coverage also provides coverage even if you were a pedestrian, bicyclist, motorcyclist, or bystander, so long as the motorist who caused your injuries was uninsured or underinsured.

Your uninsured motorist coverage also applies for the benefit of other passengers in your car or other people driving your car with your permission, and who are injured by an uninsured or underinsured driver.

WHEN DOES UNINSURED MOTORIST COVERAGE APPLY?

Uninsured motorist vehicle coverage applies whenever anyone who is insured is injured by a driver who is uninsured or underinsured (does not have enough insurance to pay for the damages caused). As regards a claim for injuries, an uninsured driver includes a hit-and-run driver. In Vermont an unidentified hit-and-run driver is considered an "uninsured motorist" for the purpose of damage to your car.

Underinsured motorist coverage only applies if the other driver’s liability limits are lower than your uninsured coverage limits. Thus, if the driver who causes the accident has a liability policy of $50,000 per person, you are not entitled to any uninsured or underinsured motorist benefits if your uninsured
motorist coverage is for $50,000 per person/$100,000 aggregate. If, however, you have uninsured motorist coverage of $100,000 per person/$300,000 aggregate, you could receive up to the $50,000 difference from your own company for an injury to one person, and up to $200,000 additional insurance from your own company if there were injuries to three or more of your family members, or passengers in your car.

WHAT LOSSES ARE COVERED?

Uninsured motorist coverage is intended to compensate you for both your financial and your non-financial losses which you sustain, and for which you have a legal claim as a result of the negligence of an uninsured, underinsured, or hit-and-run driver. This would include any medical expenses which you reasonably required as a result of such an incident, any loss of income or earnings, any reduction in your ability to earn money in the future or lifetime.

Non-financial damages include such things as loss of ability to enjoy or engage in certain activities as a result of injuries, pain and suffering, and other such subjective losses for which you are entitled to monetary compensation under the law based upon the severity of the injury, whether it fully heals, what kinds of treatment are necessary and how much time is required in order to achieve an optimum recovery.

Note: For additional information please see our Vermont statute link to: Title 23 - §941:

http://www.leg.state.vt.us/statutes/fullsection.cfm?Title=23&Chapter=011&Section=00941