



# Know Your Insurance

## Auto

Courtesy of Evergreen Insurance LLC

### UM and UIM Coverage, Exclusions and Endorsements

Unfortunately, many people wrongly assume that auto and umbrella insurance policies will provide reimbursement for all aspects of an accident on the road. Instead, both of these policies cover your own liability and provide compensation to others in the event that you are responsible for an accident. However, if another driver causes an accident and doesn't have enough insurance coverage to compensate you, your own auto or umbrella policies won't be enough.

If another driver doesn't have enough insurance coverage to pay for your medical bills, you could face extremely high costs or lengthy court battles. However, by purchasing stand-alone uninsured (UM) or underinsured (UIM) motorist coverage—or by adding the coverage as an endorsement to your umbrella policy—you can be fully protected on the road.

#### Why Isn't There Coverage?

Auto insurance is required in most states because all drivers on the road essentially put their trust in one another to not get into an accident. As a result, your regular auto insurance policy will reimburse another driver if you are the cause of an accident. In a similar way, umbrella policies provide you with excess coverage for a number of different personal liabilities.

However, if another driver doesn't have enough coverage to fully pay for the damage of an accident, you could be left to pay the bills yourself.

- **Uninsured motorists** simply don't purchase an auto insurance policy. As a result, if they cause an accident, there isn't a policy in place to reimburse you for medical bills. According to the Insurance Research Council, about 1 in 8 drivers in the United States are completely uninsured.
- **Underinsured motorists** have an insurance policy, but don't have a high enough coverage limit to pay for all of the expenses of an accident. Some states only require a small amount of coverage, which won't be enough to pay all of your medical expenses.

It's also important to know that hit-and-run accidents—those in which a driver flees—fall into the same category as uninsured motorists, as there is no insurance policy in place to cover the driver's liability.

To protect yourself from these risks, it's important to talk to your Evergreen Insurance LLC representative about a stand-alone policy or an endorsement to your umbrella coverage.

#### Coverage Specifics

Without UM or UIM coverage, you're essentially paying more for the protection of strangers than you are for yourself and your family. And, although uninsured and underinsured drivers are all too common, many people believe that they're already covered if someone else causes an accident.

UM or UIM policies are available, as are endorsements to umbrella policies that can protect you from uninsured or underinsured drivers. In fact, in many states, you may be required to purchase UM or UIM coverage. However, just like a normal auto policy, there are some aspects of this coverage that you should consider.

Depending on the state, you may only be required to purchase a small amount of UM or UIM coverage. However, since these policies will protect you and your family in the event of an accident, it's generally a good idea to purchase the same amount of coverage as your regular auto policy. Coverage is also inexpensive, generally costing only 5% of your regular auto insurance premiums.

Contact us today at 800.662.2020 to examine your auto insurance coverage and ensure that you and your family are safe on the road.