

## IRMI Tip of the Month

### Why You Need Uninsured Motorists Coverage



Bonds ■ Benefits ■ Insurance ■ Risk Management

AN EMPLOYEE-OWNED COMPANY

With all the different factors that enter into the automobile insurance purchasing process, it is important for you to be well informed in order to make intelligent decisions. One such decision concerns whether to purchase uninsured motorists (UM) and underinsured motorists (UIM) coverage.

UM coverage provides insurance protection for bodily injury, and in some states property damage, caused by a motorist who is not insured. This coverage allows you to collect from your own insurance company as if it provided liability coverage for the negligent and uninsured driver. In contrast, UIM coverage provides insurance protection for bodily injury, and in some states property damage, sustained by you when a motorist who has liability insurance (but is still not sufficiently insured) negligently causes an accident. The following list provides reasons why you should procure UM/UIM coverage.

- The chance of a negligent uninsured motorist hitting you is greater than you might think. In some states, up to 26 percent of all drivers lack automobile insurance. The countrywide average is 14 percent.
- UM and UIM coverage is broad, since it provides benefits for you and your family members' injuries sustained (a) in your own covered auto, (b) in autos you do not own, and (c) as pedestrians.

- The cost for this coverage is very reasonable, compared to liability coverage and physical damage coverage for your own car. The increased costs for higher UM/UIM limits are quite affordable for most people.
- If your car is damaged by an uninsured driver, the deductible for UM property damage, if available in your state, is normally only \$250. This amount is often considerably less than your collision coverage deductible.

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1 Airport Plaza • PO Box 51019  
Idaho Falls ID 83405-1019  
(208) 522-5656 • (800) 243-6344  
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1220 Cleveland Blvd. • PO Box 400  
Caldwell ID 83606-0400  
(208) 459-1678 • (800) 828-7835  
FAX 454-1114