

**UNINSURED/UNDERINSURED MOTORIST INSURANCE COVERAGE**  
**IS IT A MYSTERY?**

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I recently was consulted by a client who was involved in a very serious car accident who wanted to know how much money was available in insurance for the claim. His medical bills were \$25,000.00 and he lost two months of work costing him \$10,000.00. He suffered a lot of pain and had to go to physical therapy for a long period of time. The only problem was that the other driver that hit him only had minimal insurance limits; \$25,000.00 per person and \$50,000.00 for all people who were hurt in the accident, regardless of the extent of their injuries. This is a surprise that many accident victims learn only after they have been involved in a serious automobile accident. In this example, the accident victim also had minimum insurance limits; \$25,000.00 per person/\$50,000.00 per accident. Because the negligent party has the minimum insurance limits, the victim is not considered to have an uninsured motorist claim for any additional compensation over the \$25,000.00 insurance limits. If the negligent driver had no insurance whatsoever, then the victim would be able to make an uninsured motorist claim against his own insurance company up to the amount of the limits which the victim had purchased. If the victim had increased the coverage on his own policy to \$100,000.00 per person/\$300,000.00 per accident, then he would have been able to make a claim for the difference between the negligent person's liability insurance coverage of \$25,000.00 and the amount of his own underinsured motorist coverage of \$100,000.00. In other words, the additional coverage available to the victim is \$75,000.00 over the negligent driver's own \$25,000.00 per person coverage.

In New Hampshire, all insurance companies have to provide the same amount of uninsured/underinsured motorist coverage as the amount of the liability coverage that the individual purchases. Most people don't give much thought to the fact that the limits which they purchase not only protect them for their own acts of negligence, when someone else makes a claim against them, but also protects them from situations which arise where there is not enough money to go around because of a negligent party's low insurance limits, or worse, where there is a total lack of insurance. They want to know "How much is it going to cost me?" when asking their insurance agent what the premiums are. Well, you get what you pay for, but sometimes, in this part of the insurance area, the additional protection you can get is not that much more expensive.

What is the solution? Ask your insurance agent about raising your liability insurance limits to the minimum amount necessary to purchase an insurance liability "Umbrella Policy." This is a policy which covers individuals for liability from risks of all types if the underlying risk is insured by a primary insurance carrier. Normally, my experience is that the minimum policy limits required to be purchased for an Umbrella policy in New Hampshire are \$250,000.00 per person/\$500,000.00 per accident. These liability premiums are not much more than what most middle income earners usually pay for \$100,000.00 per person/\$300,000.00 per accident.

These are folks who usually own a home, have a car, and want to insure against unexpected risks. What you get for your money is much better protection for injuries from the careless acts of others. If you can afford the Umbrella policy, which is usually in \$1,000,000.00 increments, then buy it. Then the important thing is to pay a small additional premium to have the \$1,000,000.00 Umbrella coverage apply as your own additional coverage in the event you are negligently injured by an uninsured or underinsured driver. You will be protected from an unexpected financial disaster, and your family will have the security that if anyone injures any of them, that they will be protected. I don't know why consumers don't know more about this area, but I have found that many people I tell about it actually purchase the coverage. The alternative is to be left in a situation where an uninsured driver negligently causes you or one of your family members severe harm in an accident, and all you have to go after is the minimum insurance he has purchased. Injuries such as paralysis, brain damage, burns, disfigurement, and mental disability are all conditions which arise from such uninsured accidents, and there are many of these cases which occur where families could cope easier if there were more resources available to cover these losses. Call your insurance agent today and see what they say.