

August 2011

Dear Clients and Friends:

You're out driving one day when BANG! Someone runs into you. You're hurt, you have a passenger who is also hurt, and your car is a mess. The other guy is at fault. Shall we take a look at the statistics?

In California, twenty percent of the time the other guy has no auto insurance. There's also a ten percent chance he has insurance with low limits, which isn't going to help you much. Why doesn't he have decent insurance? Because he's unemployed or works at a low-paying job, rents an apartment and has no savings. Don't even think about a lawsuit.

This is why you need uninsured motorist coverage (UM) on your own auto policy. That's really short for "uninsured/underinsured" coverage. The typical recommended limits are \$250,000/\$500,000. Most drivers don't carry that much, and it's a mistake.

In the example above, UM will pay for your own bodily injuries, for the injuries to your passenger, and for the damage to your car. Without UM, you'll be paying most of those expenses yourself. In addition to your medical costs, UM covers lost wages, loss of earning capacity, pain and suffering, disfigurement and other damages. It also protects you if the other driver can't be identified after a hit-and-run, if you're a passenger in someone else's car, and even if you're just walking across the street when a car hits you.

Check the declarations page for your own auto policy. You should see at least the following coverages: 250/500 or 300/500 for bodily injury; *the same amounts* for uninsured motorist; and \$100,000 for property damage. To protect against catastrophic loss, you should also carry at least a \$2 million umbrella policy.

Regards,



Charles M. Shackelford