

Uninsured/underinsured motorist coverage is critical protection

by Mark Kitrick and Sean Harris

Purchasing uninsured and underinsured motorist (UM/UDM) coverage is a critical way to protect loved ones and yourself. It applies when you or a family member are a driver, a passenger in your or another car, or on a bicycle, or even walking as a pedestrian and if you or a family member are hurt or killed by another motor vehicle. If the person causing the incident either has no insurance or inadequate insurance, then you need UM/UDM coverage through your own automobile carrier.

What amounts should you purchase?

It is highly advisable that you purchase UM/UDM coverage in at least the same amounts as your liability coverage. Liability coverage applies if you or a family member are at fault (liable) and cause harm or damages to others. At one time, insurance agents were required to offer UM/UDM coverage in the same amounts as your liability coverage; and if you rejected it or chose lesser amounts, then the rejection or reduction had to be in writing.

In other words, the agent needed to inform the client so that the client armed with this knowledge could better decide what to do. Those days are gone. An agent generally does not need to educate a client in this manner. Consequently, many consumers do not even know what this coverage is.

Know the actual amounts

Second, many people believe they have “full coverage” but do not know the actual amounts. Full coverage can be akin to wearing shorts and a T-shirt versus donning full body armor. Unfortunately, in rural areas, for example, over 15-20 percent of drivers have no insurance and many others have no more than Ohio’s minimum liability coverage which is now \$25,000-\$50,000. What is the right coverage given these realities?

To illustrate, let us assume you have purchased 100/300 in liability and 100/300 UM coverage, and you are hurt by an under-



insured motorist who only has Ohio's minimum coverage. If you have \$50,000 in owed medical bills (to providers or to your health insurance company that wants its money back—this is called "subrogation"), have a significant injury, and you evaluate your claim at least at \$100,000, the most you can obtain from the defendant is \$25,000. That means you have to make a UDM claim for the \$75,000 difference. What is important to understand is you cannot "stack" your UM coverage on top of the defendant's \$100,000 (per person) to get \$125,000.

Total coverage

We strongly urge purchasing umbrella coverage for both liability and UM/UDM coverage. This is another layer of coverage above and beyond your underlying coverage. To illustrate, if someone has \$300,000-\$500,000 in UM/UDM coverage and is hurt badly or killed by a drunk driver with little or no insurance, one can make a claim for the \$300,000—this is the per person limit—and then the umbrella exists to provide an additional \$1 million in coverage, meaning there is a total of \$1.3 million available for a single person. An umbrella opens at \$1 million.

There can be several negative concerns. Many insurance companies offer umbrella coverage for liability coverage, but a few, like State Farm, no longer offer an umbrella for UM/UDM coverage. Also, if you are riding in a Car2Go or a similar vehicle that is considered a "shared auto," you will have limited liability coverage and minimum UM coverage (in Ohio) through that auto's coverage, and most importantly and surprisingly, your UM/UDM policy likely will not protect you at all because coverage here is excluded.

You should immediately review your policies with your agent and ascertain the answers to this checklist:

- Do I have adequate liability coverage? If not, do I have personal exposure? Said differently, can someone come after my assets and income because I did not purchase sufficient insurance?
- Do I have UM/UDM coverage and, if so, how much do I have and should I increase the amounts? Reviewing with your agent your combined family incomes, assets, your budget and other needs and concerns should allow you to engage in excellent decision making. Remember, the UM/UDM limits should be equal to your liability coverage.
- Do I have umbrella coverage? Is it for liability and UM/UDM coverage? You need both. Are the amounts sufficient? You should assume over time that you or a family member are severely injured by someone with no car insurance and thus you or they cannot earn an income, or are disabled, or need part or full time care. In other words, assume that your life is no longer as it was. You want the umbrella to compensate you for all losses including major future medical care and pain and suffering. ☞

Author bios



Mark Kitrick is the senior partner with Kitrick, Lewis & Harris Co., L.P.A. in Columbus. Over the last 33 years Mark has handled complex injury and death cases, aviation crashes and consumer class actions. He is past president of the Ohio Association for Justice and the Central Ohio Association for Justice, and he is Budget Chair for AAJ, formerly ATLA. Mark is a long-time member of the OSBA and serves on the OSBF Grant Committee.



Sean Harris is a partner with Kitrick, Lewis, & Harris, Co. LPA in Columbus, where he practices in the areas of wrongful death, product liability and personal injury. He grew up in Maumee, Ohio. He attended Ohio Wesleyan University and The Ohio State University College of Law. Sean currently serves as president of the Central Ohio Association for justice.



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919 Sixth Avenue Huntington WV 25701

Office: 304-781-0228

Email: mdlaw@wvdsi.net

Fax: 304-781-0229

Web Site: bobbymillermd.com

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