

How much insurance you should have in place to protect yourself and your family members can be a tricky question and can often depend on your household valuables, net worth, and other similar details. However, there is one type of auto insurance that is a no-brainer, and it's called "Underinsured Motorist Coverage." We routinely tell our clients that second only perhaps to health insurance, underinsured motorist coverage is likely the most important type of insurance protection available to you and your household.

As of 2014, government statistics show that there are approximately 260 million vehicles on the roads in the United States. As we all know, a little bit of carelessness behind the wheel is capable of causing an extraordinary amount of harm. Motor vehicle wrecks consistently remain one of the top five leading causes of death or serious injury among most age groups in the United States. Thus, the chances of a person needing protection from a catastrophic motor vehicle injury are much higher than other categories of unintended injury. This is fundamentally why most states require auto insurance, so that there are some basic protections in place when an unsafe driver inevitably hurts another motorist. Most folks know they have to have insurance, but how much and what type often frustrates people, and leads some to simply want to pay as little as possible in their premiums for whatever they are "required" to have.

This is understandable, but there is one type of coverage that you should not short change yourself in. Underinsured motorists protection works like this: If you or a member of your household/family are harmed by the carelessness of another motorist, your underinsured motorist protection could potentially step into the shoes of that person and act like their insurance company, protecting you up to your policy limits. That's right, your own insurance policy can protect you even when it was somebody else's carelessness. One of the single most important benefits when using underinsured motorist protection in North Carolina is that you control the coverage. The minimum amount of liability coverage a motorist must carry in North Carolina is only \$30,000. This is drastically inadequate for many serious injury claims, usually not even covering medical expenses. When you purchase your own underinsured motorist protection, then you control the minimum amount of coverage for you and your family.

For example, when you purchase a \$100,000 underinsured motorist protection policy, you can drive around knowing that you and the members of your household are protected up to at least \$100,000 in the event you encounter a careless driver on the roads. It takes the risk of relying on somebody else to be adequately insured away from that

situation, and puts you and your coverage in control.

Importantly, this is not a technicality or a "loophole." People may at first hesitate when using their own policy to cover harms caused by someone else. But this is a benefit that you pay for, it's not free. The next time you review your insurance policy bill, take a look at the underinsured motorist protection benefits listed there. It will most assuredly have a premium associated with that benefit. This is a benefit that you pay for as part of your overall premiums in your policy.

Additionally, when using these benefits, your premiums will not automatically increase. That's because the triggering event for your underinsured motorist coverage is somebody else's carelessness, not your own. As a general rule, your insurance rates should only be increased by your insurance company when you or a policy holder become an increased risk to insure, like getting a traffic citation or causing a collision.

We encourage all of our clients to carry a minimum of \$100,000 in underinsured motorist benefits. In North Carolina, this benefit even extends to you and members of your household even if you're not inside your own vehicle. As long as another careless motorist is what caused the harm, you can look to your own underinsured benefits for protection.

Insurance companies will often underwrite underinsured motorist coverage for \$250,000, \$500,000 or even a million dollars in protection. So the next time you are renewing your auto policy, ask your insurance agent for a quote increasing your underinsured coverage to at least \$100,000. Hopefully, you will never have to use it. But if you do, you'll be glad you had the coverage.