

Uninsured Motorist Coverage New Added On Option vs. Reduced Traditional Option

During the 2008 Session of the Georgia General Assembly, a law was passed that requires your automobile insurance carrier to provide revised Uninsured Motorist Coverage unless you reject this coverage in writing. We refer to this new coverage as **Uninsured Motorist Coverage-Added on to At-Fault Liability Limits**, hereinafter referred to as "**New Uninsured Motorist Coverage**". This **New Uninsured Motorist Coverage** provides additional protection at a higher premium than the coverage you currently have. If you or other eligible insured's are injured or have property damage caused by an uninsured or underinsured motorist, the **New Uninsured Motorist Coverage** provides protection that will pay for your damages in addition to the at-fault driver's Liability Coverage limit up to your **New Uninsured Motorist Coverage** limit.

If you reject the **New Uninsured Motorist Coverage**, you may select **Uninsured Motorist Coverage-Reduced by At-Fault Liability Limits** hereinafter referred to as "**Traditional Uninsured Motorist Coverage**". This coverage is comparable to the coverage you currently have. **Traditional Uninsured Motorist Coverage** provides less protection than the **New Uninsured Motorist Coverage**, but the **Traditional Uninsured Motorist Coverage** is available at a lower premium. Unlike the **New Uninsured Motorist Coverage** that provides up to a full limit of protection over and above the at fault drivers liability coverage, **Traditional Uninsured Motorist Coverage** will only pay up to the difference between the at-fault driver's Liability Coverage and your **Traditional Uninsured Motorist Coverage**. This means **Traditional Uninsured Motorist Coverage** will allow you to collect from the at-fault driver and your **Traditional Uninsured Motorist Coverage**, combined, up to the same limit of **Traditional Uninsured Motorist Coverage** you have purchased.

The two uninsured motorist coverage choices do not differ if the at-fault driver responsible for your injuries or property damage does not have any Liability Coverage. In such cases, both **New Uninsured Motorist Coverage** and **Traditional Uninsured Motorist Coverage** will pay up to the amount of Uninsured Motorist Coverage purchased. We understand that these coverage choices can be confusing and hopefully the attached examples will assist you in making an educated decision regarding the Uninsured Motorist Coverage that best suits your needs.

Example of New Uninsured Motorist Coverage and Traditional Uninsured Motorist Coverage Claim Payment Calculation

An underinsured driver fails to stop at a red light, hits your car and causes you to have \$175,000 in damages. The at-fault underinsured driver (At-Fault's) has \$50,000 of Liability Coverage. Your policy contains \$100,000 of Uninsured Motorist Coverage.

NEW UNINSURED MOTORIST COVERAGE

(This coverage is also referred to as Uninsured Motorists-Added on to At-Fault Liability Limits)

At-Fault's Liability Coverage Limit \$50,000

Your New Uninsured Motorist Coverage Limit \$100,000

Total Amount of Your Damages \$175,000

Payment Break Out:

At-Fault's Liability Coverage =	\$ 50,000
Your New Uninsured Motorists Coverage=	<u>\$100,000</u>
Total Payment =	\$150,000
Amount Not Covered =	\$ 25,000 ^(a)

The maximum available coverage in this example was \$150,000 (At-Fault's Liability Coverage Limit + Your New Uninsured Motorist Coverage Limit).

^(a) Please notice that \$25,000 of the loss was not covered.

Traditional Uninsured Motorist Coverage

(This coverage is comparable to your current coverage. The coverage is also referred to as Uninsured Motorist Coverage-Reduced by At-Fault Liability Limits)

At-Fault's Liability Coverage Limit \$50,000

Your Traditional Uninsured Motorist Limit \$100,000

Total Amount of Your Damages \$175,000

Payment Break Out:

At-Fault's Liability Coverage =	\$ 50,000
Your Available Traditional Uninsured Motorist Coverage=	<u>\$ 50,000^(a)</u>
Total Payment =	\$100,000
Amount Not Covered =	\$ 75,000^(b)

^(a) The \$50,000 amount shown here is determined by subtracting the At-Fault's Liability Coverage Limit from Your Traditional Uninsured Motorist Coverage Limit. The total available Traditional Uninsured Motorist Coverage you have in this example is \$50,000.

^(b) Please notice that \$75,000 of the loss is not covered.