
INJURY LAW FIRM™

ALERT

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Founder of the **Injury Law Firm**
Law Offices of **R. Michael Shickich, L.L.C.**

No. 5

THREE TYPES OF INSURANCE THAT YOU NEED TO KNOW ABOUT

This *Injury Law Firm Alert* does not constitute an attorney-client relationship but is meant for informational purposes only. Nor is this *Alert* meant to replace the legal advice of an attorney. Every case is different with specific circumstances that should be addressed individually. Should you have a legal question, speak to an attorney who is qualified to answer your specific question.

This **Injury Law Firm Alert** addresses three supplemental types of auto insurance you should know about:

The first type is “uninsured motorist” coverage, the second is “under insured motorist” coverage, and the last is a “personal liability umbrella policy” called a “PLUP” or an “umbrella policy.”

In my experience, many of my clients do not have these types of coverage. Most have never heard of them. This Alert will give you a basic explanation of

each of these coverages.

UNINSURED MOTORIST COVERAGE:

Uninsured motorist coverage, commonly known in the insurance industry as “UM,” is a type of insurance which kicks in when the party that hit you in an auto accident has no insurance coverage. This is an important type of insurance because in Wyoming we know statistically that there are many uninsured drivers.

“Uninsured motorist” coverage is a way that you can protect yourself and your family. If the person who hit you has no insurance, your own insurance company will need to step up and provide the basic coverage.

UNDER INSURED MOTORIST COVERAGE:

This is a type of coverage which pays when the person who hit you had insurance but did not carry enough insurance to pay for all the damage he or she caused. Wyoming law only requires that a driver carry

In this issue...

- ▶ **Uninsured Motorist Coverage**
- ▶ **Under Insured Motorist Coverage**
- ▶ **How an Umbrella Policy Works**
- ▶ **Umbrella Policy Secrets Revealed**

\$25,000 of insurance coverage. Thus, it is possible for someone to hit you who only carries the minimum \$25,000 of insurance coverage required by law.

Yet in this day and age, this amount may not even be enough to repair your car, let alone cover medical bills and loss of income. Thus, the under insured motorist coverage, commonly known in the insurance industry as “UIM,” is important to have. If you purchase under insurance coverage, it will kick in to cover over the amount of insurance that the wrongdoer was lacking.

For example, if you had \$100,000 in under insured motorist coverage, and the person who hit you only had \$25,000 as required by Wyoming law, you would have access to an additional \$75,000 to cover you to the extent your damages/injuries exceed \$25,000.

► **You need to ask your insurance agent for this type of coverage:**

You will be interested to know that an uninsured motorist (UM) policy and an under insured motorist (UIM) policy are two of the less expensive forms of insurance coverage. In fact, these two types of coverage are typically not marketed or pushed by insurance companies. This is because it is not a big profit-source for insurance companies. Thus, you need to ask your agent for both of them. This is generally inexpensive insurance and is one of the best investments you can make to protect yourself and your family.

► **You may need to consult with your lawyer:**

There are some very technical rules with regard to settling lawsuits or claims that arise out of incidents to which uninsured or under insured motorist coverage would extend. For example, if you settle your claim without first getting approval from your own carrier of this type of insurance, you may foreclose your chances for coverage. In short, to be safe, you need to consult with your attorney before you go too far down the road toward settlement.

UMBRELLA COVERAGE:

► **How an umbrella policy works:**

An umbrella policy is a type of additional insurance.

If you cause an accident that is really serious, this type of insurance acts as an umbrella over your home or your auto (the extent of coverage needs to be worked out when you purchase the insurance). An umbrella policy will protect you above and beyond the auto or home insurance you have. It keeps you from losing assets if you cause a catastrophic accident. Typically, you can buy up to \$1-million of coverage in Wyoming for \$100-\$250 per year.

► **The BIG SECRET you need to know about umbrella policies:**

Umbrella policies are generally sold to protect your home and assets if you cause an accident. So, if you are sued for millions of dollars, it will provide additional coverage. But what you are never told is that you can buy an umbrella policy, and you can link it to your uninsured motorist and to your under insured motorist coverage.

If you buy an umbrella policy, have it linked to your uninsured motorist coverage, and have it linked to your under insured motorist coverage. Please note that there are some limitations when a family member is hurt by a family member who is doing the driving – but as a general principle, this is a really good form of insurance to have to protect yourself. It is cheap, and it provides a lot of coverage.

In all the Injury Law Firm Alerts I have written, this is perhaps the most important piece of advice we have ever given. **Buy an umbrella policy, have it linked to your uninsured motorist coverage, and have it linked to your under-insured motorist coverage.** Thus, if you ever have the unfortunate situation of being in an accident which you did not cause, first you will be protected by your uninsured motorist and under insured motorist coverages, and if there is not enough money there, you may access the umbrella policy to cover you.

ABOUT R. MICHAEL SHICKICH:



Michael Shickich is a fourth generation Wyoming resident. He has a regional law practice. In addition to being licensed in Wyoming, he is also licensed to practice in Colorado and New Mexico.

Experience and achievements include:

- Over 20 years experience as a trial lawyer.
- Direct knowledge of injury/insurance system: 8 years prior experience in insurance defense law.
- Highest rating of “Very High to Preeminent” by Martindale-Hubbell®.
- Member of the “Million Dollar Advocates Forum.”
- President of the Wyoming Trial Lawyers Association, 2003-2004.
- Dean of “The People’s Law School,” 2002-present.

Practice areas include:

- Automobile and Pedestrian Accidents
- Wrongful Death
- Injuries to Children
- Spinal and Bodily Injuries
- Burn Injuries
- Amputations
- Paralysis
- Oil Field Injuries and Explosions
- Brain and Head Injuries
- Nursing Home Negligence
- Asbestos and Toxic Exposure
- Trucking Accidents
- Airplane Crashes
- Railroad Injuries
- Whistle Blower Cases and Corporate Fraud, Theft and Medicaid Fraud
- Class Action Lawsuits
- Prescription Drug and Pharmaceutical Injuries
- Insurance Bad Faith and Wrongful Denial of Insurance Benefits

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FREE INJURY LAW FIRM ALERTS:

DO YOU HAVE OTHER AREAS OF INQUIRY? Feel free to contact us. We have these other information alerts:

- Five Critical Facts that Tell You When it is Time to Retain an Injury Attorney
- How Much Do You Really Know About the McDonald’s Coffee Case?
- Health Problems Linked to Ancure Abdominal Aortic Stents
- Health Problems Linked to Asbestos Exposure
- You Have Just Been in an Accident – Now What? (13 Must Know Facts)
- Eleven Facts about Auto Insurance that You Need to Know

If you have a question, and we do not have an alert, we still may have an answer.

Questions, Comments, Suggestions? I would be happy to hear from you, and you can reach me at:

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PLEASE FORWARD: If you would like to share