

Driver Safety: Starts before you turn the ignition key.

By Steve Lombardi

The biggest road hazard you may face this and next year are [uninsured motorists](#). If you didn't have enough to worry about with double bottomed semi-truck trailers, pieces of retread tires and idiot drivers' texting on their cell phones, now you have to worry about the uninsured adding more financial ruin to your already overtaxed financial planning.

There is a direct correlation between the rate of unemployment and the rate of uninsured motorists. The IRC estimates that as the unemployment rate creeps up so does the uninsured drivers. In fact they say for every 1 percent increase in unemployment nationwide, the percentage of uninsured motorists' increases three-quarters of a percentage point. So in 2007 the rate was 13.8 percent and it's estimated that by next year the rate will be 16.1 percent.

Uninsured motorist coverage is referred to as UIM coverage and underinsured motorist coverage as UDM. The two are quite different legally.

What is uninsured motorist coverage? It's coverage on your own policy that covers you and the people in your car if the other guy who is at fault for causing the accident doesn't have auto insurance. It also covers your family members when riding in someone else's car. It's insurance that in the event of an accident with an uninsured driver provides you with minimal insurance coverage.

What is underinsured motorist coverage? It's similar to UIM coverage, except it adds more insurance onto what the at fault driver's coverage. It covers you, your family and those riding in your car. It's insurance that in the event of an accident tries to make your whole.

In [Iowa](#), where I practice law we've seen this increase with the economic cycles. We've also seen the financial strain it places on those clients who didn't have enough insurance coverage. Remember, after the accident it's too late to increase your insurance coverage.

The [Insurance Research Council](#) has estimated that by next year one in six motorists will probably be uninsured. That adds three million more uninsured motorists to the already overcrowded road.

Every state with the exception of Wisconsin and New Hampshire require at least liability insurance coverage. Hint you may want to avoid those states to avoid their uninsured drivers. Or if you're regularly drive in these states give your own uninsured motorist coverage a checkup to assure yourself that in the event of an accident you're protected. Remember the average cost of an uninsured motorist claim is about \$11,000.00. I've seen broken bones cost as much as \$99,000 in medical care alone. It's not just the mending of the bone that may be involved. It could be complications of the original injury, like infections or a nonunion of the bone. An elderly person is especially vulnerable to more severe injuries and complications adding to the cost of medical care.

You may be wondering which states have the most and the least uninsured drivers. If you guessed the five states with the highest uninsured driver estimates are New Mexico (29 %), Mississippi (28 %), Alabama (26 %), Oklahoma (24 %), and Florida (23 %). The five states with the lowest uninsured driver estimates were Massachusetts (1 %), Maine (4 %), North Dakota (5 %), New York (5 %), and Vermont (6 %). [California](#) is estimating uninsured motorists will increase to around 18%.

[Iowa](#), the state where I live has 12% uninsured drivers. Follow the link to see a complete list of states and percentages of uninsured drivers.

[Minnesota](#) has the same percentage. Nebraska has 8%, Missouri 14%, South Dakota 7% and Wisconsin 15%.

Knowing that in Iowa every 12 out of 100 drivers you see on the road are uninsured you need to consider the ramifications of being in an accident. The other guy, assuming it's not you, will not be insured. This means you need to understand your own insurance coverage. Do you have uninsured (UIM) and underinsured (UDM) motorist coverage? In Iowa unless you specifically excluded this coverage you will have minimum limits. Iowa law requires UIM and UDM coverage; unless you sign off that you don't want it.

Here is what you need to do to protect yourself. Take a moment and read the declarations page of your auto policy, don't wait until you've had an accident. Do it today, Saturday.

What is the coverage? Is it enough? You can tell if the amount of your coverage is enough if the coverage is at least \$100,000/\$300,000. That means for each accident you will have \$300,000 to divide

between all the injured people in your car with no one person having more than \$100,000 to pay for their injuries and care.

Consider what you earn each year? If you and the spouse have combined salaries of \$100,000 this may not be enough coverage. Your coverage should be at least five times your combined salaries. Remember this is insurance that covers your family and the people in your car; not the other guy. These people need at least \$500,000 of liability protection coverage and UIM and UDM coverage. If you have an umbrella policy then instruct your agent to extend coverage with a company that includes UIM/UDM coverage. You want the umbrella policy to extend UIM and UDM coverage to the limits of the umbrella policy. An umbrella policy is a catastrophic event policy that adds a million or more of coverage. High income and wealthier clients must have an umbrella insurance policy.

Be sensible and look today at your policy. If it's not enough then act diligently to secure more coverage by calling your insurance agent. Don't wait until you've been in an accident and get mad at the other guy. Sure you can be mad at the other guy, but knowing how many people are estimated to be unemployed you need to take responsibility to protect your family. Waiting until you're sitting in the lawyer's office and bellyaching is way too late.

[NEWS RELEASE FROM THE INSURANCE RESEARCH COUNCIL](#)

State	Uninsured	State	Uninsured	State	Uninsured
New Mexico	29%	Montana	15%	Kansas	10%
Mississippi	28%	Colorado	15%	Connecticut	9%
Alabama	26%	D.C.	15%	Virginia	9%
Oklahoma	24%	Indiana	14%	South Carolina	9%
Florida	23%	Missouri	14%	Idaho	9%
Tennessee	20%	Rhode Island	14%	Wyoming	9%
California	18%	Alaska	13%	New Jersey	8%
Arizona	18%	Maryland	12%	Utah	8%
Michigan	17%	Hawaii	12%	Nebraska	8%
Washington	16%	Louisiana	12%	West Virginia	8%
Ohio	16%	Iowa	12%	Pennsylvania	7%
Kentucky	16%	Minnesota	12%	South Dakota	7%
Texas	15%	North Carolina	12%	Vermont	6%
Nevada	15%	Georgia	12%	New York	5%
Arkansas	15%	New Hampshire	11%	North Dakota	5%
Wisconsin	15%	Oregon	11%	Maine	4%
Illinois	15%	Delaware	10%	Massachusetts	1%