

WHAT KIND OF AUTO LIABILITY INSURANCE LIMITS SHOULD YOU HAVE?

By John D. Conderman

Do you ever wonder what are the appropriate limits for bodily injury and property damage insurance for your cars? Kansas mandates automobile liability coverage of at least \$25,000 per person and \$50,000 per accident. How much in excess of that is appropriate? Some people carry limits of \$50,000 to \$100,000 and have an umbrella policy which may run as much as \$1,000,000 coverage over the primary auto liability policy. That would seem to be sufficient liability coverage for most situations.

However, there may be another reason to have limits above \$100,000, and that has to do with accidents in which you are not at fault, but are rather injured by an uninsured or underinsured driver. Sadly, there are accidents today where the driver at fault does not carry insurance. Although that driver may be prosecuted criminally for such action, that does not help the injured party. For this reason the Kansas Legislature passed a statute making it mandatory that insurance companies licensed to do business in Kansas offer uninsured motorist coverage along with their liability coverage. Generally, the uninsured motorist coverage is in the same amount as your liability coverage. In other words, if you have \$50,000 of auto liability insurance, you will have \$50,000 of uninsured motorist coverage. In such case if you are injured by an uninsured motorist, you would have coverage for such injuries by your own insurance company up to \$50,000.

Even more complicated was the legislature's addition of underinsured motorist coverage to policies. In an underinsured situation, although the driver that causes your injuries is insured, his limits may not be enough to compensate you for the damages you have suffered. In such case, your own policy may provide underinsured motorist coverage, to the extent that the limits of your policy exceed the other driver's policy. For example, if there is an accident in which the other driver is at fault and you sustain injuries, and the other driver's liability limits are \$25,000 and you have \$50,000 liability and underinsured limits, then you would have an additional claim against your own company for \$25,000.

There may be a benefit, therefore, to have higher uninsured and underinsured limits on your insurance policy, not only to protect yourself against liability, but to protect yourself against another driver having no insurance, or insufficient coverage, when his wrongful act injures you. In the above example of underinsured coverage, if the motorist had carried \$100,000 liability and underinsured motorist coverage, his potential recovery against his own company would be \$75,000.

Interestingly, this increase in coverage for both uninsured and underinsured coverage on your auto liability policies does not result in much of an increase in premium. Check with your auto insurance agent on the status of your uninsured and underinsured auto coverage. And, as they used to say on Hill Street Blues, "Be careful out there!"