

# ACORD<sup>TM</sup> NEW YORK AUTO SUPPLEMENT

PRODUCER		APPLICANT/NAMED INSURED	
CODE:	SUB CODE:	COMPANY: POLICY #:	EFFECTIVE DATE

## SUPPLEMENTARY UNINSURED/UNDERINSURED MOTORISTS INSURANCE

New York State law requires that you purchase Uninsured Motorists (UM) Insurance, with limits of \$25,000 per person, \$50,000 per accident. No other limits of liability may be provided for this coverage.

Uninsured motorists coverage pays for bodily injury losses to you and your passengers as a result of an accident with a driver who has no liability protection and is legally responsible for the injuries.

However, you should consider purchasing Supplementary Uninsured/underinsured Motorists (SUM) insurance coverage in order to protect against the possibility of an accident involving another motor vehicle whose owner or operator was negligent and who:

- (1) may have no insurance whatsoever; or
- (2) even if insured, is only insured for third-party bodily injury at relatively low liability limits, in comparison to your own liability limits for bodily injury sustained by third-parties.

By purchasing SUM coverage, which cannot be purchased in an amount exceeding the amount of third party liability coverage purchased, you and any insured under the policy can:

- (1) be protected for bodily injury to yourselves, up to the limit of the SUM coverage purchased; and
- (2) receive from your own insurer payment for bodily injury sustained due to the negligence of the other motor vehicle's owner or operator.

The maximum amount payable under the SUM coverage shall be the policy's SUM limit reduced and thus offset by motor vehicle bodily injury liability insurance policy or bond payments received from, or on behalf of, any negligent party involved in the accident.

The law requires that we offer you SUM limits up to \$250,000 per person, \$500,000 per accident split limits, or \$500,000 per accident single limit provided that SUM limits do not exceed the limits of your bodily injury coverage.

Please indicate your choice by initialing next to the appropriate item below:

\_\_\_\_\_ I request the following limits

\$ \_\_\_\_\_ per person, \_\_\_\_\_ per accident, or

\$ \_\_\_\_\_ per accident

\_\_\_\_\_ I reject SUM coverage

Here are some examples, using per person limits, that illustrate how SUM coverage applies.

Example One:

Insured's Bodily Injury Damages	\$300,000
Insured's Liability Limit	\$500,000
Insured's SUM Limit	\$250,000
Other Motor Vehicle Liability Limit	\$25,000

Result: In this example, the insured has purchased the maximum amount of SUM coverage that must be offered by the insurer, provided that the \$250,000 insured has purchased bodily injury liability limits of at least \$250,000. Insured recovers \$25,000 from the negligent owner or operator of the other motor vehicle, and \$225,000 (\$250,000 minus \$25,000) under the SUM coverage, for a total recovery of \$250,000.

However, in the event that the negligent owner or operator of the other motor vehicle had no liability insurance at all, the insured would collect in SUM coverage from the insured's own insurer.

But, if the owner or operator of the other motor vehicle was not negligent, the insured would receive no SUM payments.

Example Two:

Insured's Bodily Injury Damages	\$100,000
Insured's Liability Limit	\$25,000
Insured's SUM Limit	\$25,000
Other Motor Vehicle Liability Limit	\$25,000

Result: Insured recovers \$25,000 from the negligent other motor vehicle owner or operator. But the insured received nothing under the SUM coverage, which equals the mandatory uninsured motorists coverage, since the other owner or operator's vehicle did not have less liability insurance than the insured's vehicle. If the insured's liability and SUM limits were both \$50,000, the insured would collect another \$25,000 in SUM coverage from the insured's own insurer.

Example Three:

Insured's Bodily Injury Damages	\$60,000
Insured's Liability Limit	\$100,000
Insured's SUM Limit	\$100,000
Other Motor Vehicle Liability Limit	\$50,000

Result: Insured recovers \$50,000 from the other negligent motor vehicle owner or operator and \$10,000 under the SUM coverage, which is the difference between the amount of the insured's SUM coverage and the liability coverage available from the other motor vehicle owner or operator limited by the amount of the insured's bodily injury damages.

Example Four:

Insured's Bodily Injury Damages	\$150,000
Insured's Liability Limit	\$100,000
Insured's SUM Limit	\$100,000
Other Motor Vehicle Liability Limit	\$25,000

Result: Suppose the insured and the other motor vehicle owner or operator were each 50 percent at fault for the accident, then the insured's total recovery would be \$75,000, in light of comparative negligence of the parties involved in the accident. The insured would recover \$25,000 from the other negligent motor vehicle owner or operator and \$50,000 under SUM coverage

On the other hand, if the other motor vehicle owner or operator was totally at fault for the accident, the insured would recover \$25,000 from the insured negligent motor vehicle owner or operator and would then receive \$75,000 in SUM coverage from the insured's own insurer. Had the insured purchased liability and SUM limits of \$150,000 or more, the SUM recovery would then be \$125,000.

Coverage is generally described here. Only the policy provides a complete description of the coverages and their limitations. I understand that the coverage selection and limit choices here will apply to all future policy renewals, continuations and changes unless I notify you otherwise in writing.

Applicant's Signature \_\_\_\_\_  
ACORD 64NY (2000/04)

Date \_\_\_\_\_  
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