

UM/SUM EXPLANATORY NOTICE

THE DIFFERENCE BETWEEN STATUTORY UNINSURED MOTORISTS COVERAGE AND SUPPLEMENTARY UNINSURED/UNDERINSURED MOTORISTS COVERAGE

You must buy either Statutory Uninsured Motorists Coverage or Supplementary Uninsured/Underinsured Motorists Coverage.

The following is an advisory explanation of the notable differences between Statutory Uninsured Motorists Coverage and Supplementary Uninsured/Underinsured Motorists Coverage and is not intended to substitute for a complete review of both coverages. If there is any conflict between the policy and this advisory explanation, the provisions of the policy apply.

STATUTORY UNINSURED MOTORISTS COVERAGE

Statutory Uninsured Motorists Coverage gives you, a family member who lives with you, and someone in a car you're operating, coverage for injuries that occur if you have a car accident with a negligent motorist who has no insurance at all.

If someone sustains a non-fatal injury caused by this type of motorist, your Statutory Uninsured Motorists Coverage can pay up to \$25,000 for each person injured, with a \$50,000 maximum for each accident. For fatal injuries, your Statutory Uninsured Motorists Coverage can pay up to \$50,000 for each person who dies with a \$100,000 maximum for each accident resulting in death to two or more people. These limits are the only limits provided under Statutory Uninsured Motorists Coverage.

Statutory Uninsured Motorists Coverage will pay for injuries or death only if the car accident happens in New York State.

SUPPLEMENTARY UNINSURED/UNDERINSURED MOTORISTS (SUM) COVERAGE

Supplementary Uninsured/Underinsured Motorists (SUM) Coverage not only gives you the in-state Statutory Uninsured Motorists Coverage, it also gives you out-of-state coverage for accidents with negligent motorists who have no insurance.

SUM Coverage also protects you, a family member who lives with you, and someone in a car you're operating, if there's an accident with a car that does have bodily injury liability insurance, but its bodily injury liability is less than the bodily injury liability insurance that you have on your own car. This kind of coverage is called "underinsured motorists coverage", and it's included in SUM Coverage.

If you decide to buy SUM Coverage, you may buy this coverage at limits higher than the Statutory Uninsured Motorists Coverage limits. However, the SUM Coverage limit can't be higher than your bodily injury liability limits.

If you have an accident, your SUM Coverage limit will be reduced by any liability insurance or bond payments made by a negligent motorist.

SUM Coverage applies if you have an accident in the State of New York or out-of-state.

SUPPLEMENTARY UNINSURED/UNDERINSURED MOTORISTS (SUM) COVERAGE BASICS OF SUM COVERAGE

A policyholder should consider purchasing SUM 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 the policyholder's 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, the policyholder and any insured under the policy can:

1. be protected for bodily injury to themselves, up to the limit of the SUM coverage purchased; and
2. receive from the policyholder's 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 payment received from, or on behalf of, any negligent party involved in an accident.

AVAILABLE UM/SUM LIMITS

The following Statutory UM and SUM Coverage limits are available provided that the SUM limits selected can not exceed the bodily injury liability limits that you have selected:

1. STATUTORY UM COVERAGE LIMITS OF \$25,000/\$50,000
\$25,000 per person and \$50,000 per accident, regardless of the number of persons involved in any given accident (or \$50,000 per accident, regardless of the number of persons involved in any given accident).
2. SUM COVERAGE WITH BASIC LIMITS OF \$25,000/\$50,000, EXTENDED OUT-OF-STATE
\$25,000 per person, extended out-of-state and \$50,000 per accident, regardless of the number of persons involved in any given accident extended out-of-state (or \$50,000 per accident extended out-of-state, regardless of the number of persons involved in any given accident extended out-of-state).
3. SUM COVERAGE WITH LIMITS HIGHER THAN \$25,000/\$50,000, EXTENDED OUT-OF-STATE

The following higher limits are available:

\$50,000/\$100,000 \$100,000/\$300,000 \$250,000/\$500,000

EXAMPLES (USING THE PER PERSON LIMITS) THAT ILLUSTRATE THE PROPER APPLICATION OF SUM COVERAGE

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. 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 \$250,000 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 receives 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 \$40,000, the insured would collect another \$15,000 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 the 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 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.

If you want to make any changes to your coverage limits, please call the Customer Service Center shown on your Declarations Page.