



## TWO STEPS YOU CAN TAKE TODAY TO PROTECT YOURSELF AND YOUR LOVED ONES IN THESE UNCERTAIN TIMES

By J. Mark McKinzie, RBE Partner

Times are difficult right now due to the on-going COVID-19 pandemic. Schools and buildings have been shut down, and many thousands of people have lost their jobs or have been forced to tighten their economic belts. It stands to reason that, as a result, the number of uninsured or underinsured people with otherwise limited assets is dramatically increasing. Additionally, many people are spending more and more time at home out of necessity or caution, but as people have begun to experiment with more social interaction after months of isolation, in-home gatherings of family and friends have become more frequent. Yet, there are many types of injuries which can occur at home, such as personal injuries caused by dog bites, trampoline or pool usage, accusations of slander or libel, and falls by people on your property. Potential liability from these injuries can threaten your own assets. In light of this risk, there are two simple and affordable steps you can take today to help protect the assets, well-being, and peace-of-mind of you and your family members in the future.

**Step one...** Purchase uninsured motorist/underinsured motorist coverage (“UM/UIM” coverage) under your auto policy. There are many television ads placed by personal injury attorneys asking for the privilege of representing you if you have been involved in an accident with a truck. The reason they do this is two-fold:

- First, when an 80,000 lb. loaded truck collides with your 4,000 lb. vehicle, the likelihood of major property damage and injury is significant.
- Second, trucking companies have millions of dollars in insurance from which injured people can potentially recover to compensate them for their injuries and damages.

Unlike the average commercial trucking company, many people drive with only the minimum insurance limits required by law (in Indiana it is \$25,000 per person and \$50,000 total per accident)—or worse yet, some people drive with no insurance at all. Should these people negligently operate their vehicles and cause personal injury and damage to you or your loved ones, the likelihood of recovering meaningful compensation from them is very low.

Fortunately, property and casualty insurers provide an optional coverage called UM/UIM coverage, which is generally purchased in amounts equal to the liability coverage you already purchase to protect your family’s assets should you cause an accident. For example, if you purchase liability coverage of \$250,000 per person and \$500,000 total per accident to protect your family’s assets in the event you cause an accident which injures another person and/or damages their property, you can also purchase UM/UIM coverage in an equal amount.

Doing so allows you or your insured family member to recover up to this amount from your own insurance company if another driver who causes the injury/damages has no insurance or insufficient insurance coverage. The cost for this type of coverage can vary depending upon factors such as age and driving record, but it is often less than \$100 per vehicle per year. While it is often dismissed by policyholders as an unnecessary expense, it is worthy of consideration because of its clear utility and reasonable price.

**Step two...** Purchase a stand-alone personal umbrella insurance policy (which usually starts out at a minimum of one million dollars and can be increased further in one million-dollar increments). While it is not mandated that UM/UIM coverage be included in personal umbrella policies (and not all insurers offer this coverage in their umbrella policies), you should elect this option if it is available to you, and if it is not, you should strongly consider finding a policy with a UM/UIM option from another insurer. Like with UM/UIM coverage, the cost of umbrella policies is relatively modest. For example, for around \$500 per year you can purchase a personal umbrella policy for \$1 million in additional coverage. Approximately one-half of that amount would be the cost of the additional UM/UIM coverage. In purchasing an umbrella policy, you get the added protection of up to a million dollars (or whatever limit you choose) instead of your other underlying policy limits to protect your family's assets in the event of a liability claim against you. If you elect optional UM/UIM coverage in the umbrella policy, the extra coverage ceiling will also extend to injuries or property damage that you or your family members suffer as a result of the actions of a person with inadequate automobile or homeowners insurance coverages.

With these two simple steps, you can help protect your assets from any liability arising from your own fault or from the fault of someone unwilling or unable to adequately protect other drivers with proper insurance. Please know that if you have experienced an injury or property damage or someone else has experienced injury or property damage within your home or as a result of an accident with your vehicle, the attorneys at Riley Bennett Egloff LLP would be happy to discuss the facts of your personal situation with you and recommend the avenues available to you to resolve the issues presented. That conversation can be a much less stressful one if you have UM/UIM coverage on your auto policy and a personal umbrella policy.

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## ABOUT THE AUTHOR



**J. Mark McKinzie**

Mark joined Riley Bennett Egloff LLP as a Partner over 18 years ago, after a distinguished career in corporate insurance law, rising to be Senior VP, General Counsel, and Secretary for the Meridian Insurance Companies overseeing the claims and claim litigation functions, all 1st party litigation, including any allegation of bad faith by the company and serving in that position prior to the company's sale and merger with State Auto Insurance of Columbus Ohio.

With his business and legal background and extensive and varied experience, having represented plaintiffs and defendants in a wide range of practice areas, Mark possesses and consistently demonstrates keen insight and pragmatic, resourceful solutions beneficial to the parties.

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