

AMERICAN BANKERS INSURANCE COMPANY

OF FLORIDA

[A STOCK INSURANCE COMPANY]

[11222 Quail Roost Drive, Miami, FL 33157-6596 (305) 253-2244]

[Administrative Office: American Collectors Insurance Agency]

[P.O. Box 8343, Cherry Hill, NJ 08002 (800) 360-2277]

Comparison of Statutory Uninsured Motorist Coverage and Supplementary Uninsured/Underinsured Motorist (SUM) Coverage New York

Statutory Uninsured Motorist Coverage

Applies to: Antique and modified vehicles

Covers: You

- Resident family members
- Other persons in your car
- You and resident family members as pedestrians

Benefits: Provides benefits up to the New York financial responsibility limits of \$25,000 per person/\$50,000 per accident for bodily injury, sickness or disease (and \$50,000 per policy/\$100,000 per accident in the event of death), which you are legally entitled to recover from the owner or operator of:

- a) a motor vehicle to which no bodily injury liability policy or bond applies at the time of accident; or
- b) a hit-and-run motor vehicle whose operator or owner is identified, or a hit-and-run motor vehicle whose operator or owner cannot be identified, which makes physical contact with the insured person or with a motor vehicle which the insured was occupying at the time of the accident; or
- c) an insured motor vehicle where the insurance company issuing the coverage for the at-fault driver disclaims liability or denies coverage, or becomes insolvent; or
- d) a motor vehicle which is stolen or operated without the consent of the owner; or
- e) an unregistered motor vehicle.

Limits: Will provide coverage only for accidents in New York State, and only up to the New York financial responsibility limits of \$25,000 per person/\$50,000 per accident for bodily injury, sickness or disease (and \$50,000 per person/\$100,000 per accident in the event of death).

Supplementary Uninsured/Underinsured Motorist Coverage (SUM)

Applies to: Antique and modified vehicles

Covers: You

- Resident family members
- Other persons in your car
- You and resident family members as pedestrians

Benefits: Provides benefits up to the limits stated on your policy for bodily injury, sickness, disease, or death, which you are legally entitled to recover from the owner or operator of:

- a) a motor vehicle to which no bodily injury liability policy or bond applies at the time of accident; or
- b) a hit-and-run motor vehicle whose operator or owner is identified, or a hit-and-run motor vehicle whose operator or owner cannot be identified, which makes physical contact with the insured person or with a motor vehicle which the insured was occupying at the time of the accident; or
- c) an insured motor vehicle where the insurance company issuing the coverage for the at-fault driver disclaims liability or denies coverage, or becomes insolvent; or
- d) a motor vehicle which is stolen or operated without the consent of the owner; or
- e) an unregistered motor vehicle.

SUM coverage also provides benefits up to the limits stated on your policy for damages you are legally entitled to recover from the owner or operator of a motor vehicle to which a bodily injury liability policy or bond applies at the time of the accident but the bond or policy limits for bodily injury liability are less than your bodily injury limits.

Limits: Will provide coverage for both in-state and out-of-state accidents at the sum limits you have chosen for bodily injury, sickness or disease (\$50,000 per person/\$100,000 per accident in the event of death, if greater).

The maximum amount you will receive under the SUM coverage shall be the limits you have chosen, **reduced** and thus **offset by**, the liability insurance payments received from, or on behalf of, any negligent party involved in the accident.

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SUPPLEMENTARY UNINSURED/UNDERINSURED MOTORISTS INSURANCE

The following examples (using the per person limits) illustrate the proper application of SUM coverage:

(1) Example One:

| | |
|-------------------------------------|-----------|
| Insured's Bodily Injury Damages | \$600,000 |
| Insured's Liability Limit | \$500,000 |
| Insured's SUM Limit | \$500,000 |
| 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 \$475,000 (\$500,000 minus \$25,000) under the SUM coverage, for a total recovery of \$500,000.

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 \$500,000 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.

(2) 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 \$50,000, the insured would collect another \$25,000 in SUM coverage from the insured's own insurer.

(3) 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.

(4) 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.