

**EXPLANATION AND OFFER OF ADDITIONAL COVERAGES:
SELECTION/REJECTION OF SUPPLEMENTARY
UNINSURED/UNDERINSURED MOTORISTS COVERAGE**

(NEW YORK)

Supplementary uninsured/underinsured motorists coverage (SUM coverage) provides insurance protection for any person included as insured under your policy if such person is injured in an accident involving another motor vehicle whose owner or operator was negligent but who has either no bodily injury or liability insurance, or less than the insurance you carry. SUM coverage shall be equal to the level of the bodily injury liability coverage of your motor vehicle liability insurance policy unless you sign a waiver requesting lower coverage or declining the coverage. You are urged to carefully consider this decision.

I. EXPLANATION OF THE DIFFERENCE BETWEEN STATUTORY UNINSURED MOTORISTS COVERAGE AND SUPPLEMENTARY UNINSURED/UNDERINSURED MOTORISTS COVERAGE (SUM COVERAGE)

Under New York law you must buy **either** Statutory Uninsured Motorists Coverage **or** Supplementary Uninsured/Underinsured Motorists Coverage (SUM Coverage), which includes the Statutory Uninsured Motorists Coverage. This section is an advisory explanation of the primary differences between these two types of coverages, but is not intended to be a substitute for a complete review of both coverages. If there is any conflict between the policy and this explanation, the provisions of **your** policy apply. If you have any questions regarding this information, please contact your agent, insurance company, or the New York Department of Financial Services for further explanation.

TYPE 1: STATUTORY UNINSURED MOTORISTS COVERAGE

Statutory Uninsured Motorists Coverage compensates you, or other persons insured under your motor vehicle insurance policy, for amounts that you, or your passengers, may be legally entitled to collect as damages for bodily injury or death from an accident caused by an owner or operator of an **uninsured motor vehicle**. An uninsured motor vehicle is a motor vehicle that either has no liability insurance coverage or is operated by a hit-and-run driver. In order to drive your automobile upon the roads of this State, you **must** obtain this coverage as your **minimum limits**.

If someone is injured as a result of an accident with an uninsured motor vehicle, your Statutory Uninsured Motorists Coverage can pay up to \$25,000 for each person injured, with a \$50,000 maximum for each accident. If someone is killed as a result of such an accident, your Statutory Uninsured Motorists Coverage can pay up to \$50,000 for each person killed, with a \$100,000 maximum for each accident resulting in death to two or more people. These limits are the **only** limits you can obtain under Statutory Uninsured Motorists Coverage.

Statutory Uninsured Motorists Coverage will pay for bodily injury or death only if the car accident happens **in-state**, that is, in the State of New York.

TYPE 2: SUPPLEMENTARY UNINSURED/UNDERINSURED MOTORISTS COVERAGE (SUM COVERAGE)

You have the right to purchase additional limits of insurance coverage, called Supplementary Uninsured/Underinsured Motorists Coverage (SUM Coverage). This coverage provides you, or other persons insured under your motor vehicle insurance policy, with the Statutory Uninsured Motorists Coverage (described above) plus additional coverages, which may provide you with a greater degree of protection.

SUM Coverage, similar to Statutory Uninsured Motorists Coverage, provides you, or other persons insured under your motor vehicle insurance policy, for amounts that you, or your passengers, may be legally entitled to collect as damage for bodily injury if there is an accident. Here, in contrast however, you have the opportunity to choose the amount of **uninsured motorists** coverage desired (from an offering from the insurance company which is provided below). Additionally, since there is a possibility of an accident occurring between you and an **underinsured motorist**, SUM Coverage can provide you with "underinsured" coverage, which is coverage for an accident between you and a car that has bodily injury liability insurance that is less than your own bodily injury liability limits that you have on your own car. However, please note that the SUM coverage cannot exceed the limits of the third-party liability coverage that you have on your own car.

Also, SUM Coverage provides coverage for bodily injury or death for not only in-state accidents, but also **out-of-state accidents**.

IMPORTANT SUM NOTICE:

For purposes of further clarification, New York law requires that the following explanation, as provided in 11 NYCRR 60-2.1, be provided to you in this notice:

- **SUM provides additional insurance coverage for bodily injury, including death resulting therefrom, sustained by an insured, as a result of an accident involving a negligent owner or operator of another motor vehicle who:**
 - (1) may have no insurance whatsoever; or**
 - (2) even if insured, is only insured for third-party bodily injury coverage at relatively low liability limits, in comparison to the policyholder's own liability limits for bodily injury sustained by third-parties.**
- **An insurer shall not offer SUM coverage in an amount exceeding the third-party liability coverage limits purchased by the policyholder. The policy shall provide coverage for any insured under the policy for:**
 - (1) bodily injury to such person, 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 any motor vehicle bodily injury liability insurance policy or bond payments received from, or on behalf of, any negligent party involved in the accident.**

For purposes of further clarification regarding Transportation Network Companies (TNC) Services, 11 NYCRR 60-2.2 requires that every insurer writing motor vehicle liability insurance providing liability insurance coverage in satisfaction of the financial responsibility requirements of Vehicle and Traffic Law article 44-B must provide the following notice:

- **if the policy provides liability coverage as required by Vehicle and Traffic Law section 1693(3), SUM coverage is being provided while the driver provides a prearranged trip;**
- **if the policy provides liability coverage as required by Vehicle and Traffic Law section 1693(2), SUM coverage is available while the driver is logged onto a transportation network company's digital network but is not engaged in a transportation network company prearranged trip, including the SUM limits being offered for purchase on the last page of this notice.**

EXAMPLES:

As provided in 11 NYCRR 60-2.2, the following examples (using the per person limits) illustrate the proper application of SUM coverage:

(1) 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 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.

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. However, if the owner or operator of the other motor vehicle was not negligent, then 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 owner or operator of the other motor vehicle. The insured receives nothing under the SUM coverage, which equals the mandatory UM coverage, since the liability limits on the other owner or operator's motor vehicle were not lower than the liability insurance limits on the insured's motor 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 negligent owner or operator of the other motor vehicle 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: If the insured and the owner or operator of the other motor vehicle 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 negligent owner or operator of the other motor vehicle and \$50,000 under the SUM coverage.

On the other hand, if the owner or operator of the other motor vehicle was totally at fault for the accident, then the insured would recover \$25,000 from the negligent 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.

(5) Example Five:

Insured's Bodily Injury Damages \$25,000
Passenger's Bodily Injury Damages \$25,000
Another Passenger's Damages that resulted in death \$50,000
Insured's Combined Single Liability (CSL) Limit \$75,000
Insured's CSL SUM Limit \$75,000
Other Motor Vehicle Liability Limit Uninsured (i.e. no coverage)

Result: Since the other motor vehicle was uninsured, the full \$75,000 CSL SUM limit is available for all insured persons from this accident under the policy. However, since the accident involves insured persons who were both injured and killed, the mandatory UM limits of \$25,000 per person and \$50,000 per accident for injured persons and \$50,000 per person and \$100,000 per accident for persons killed in the accident are available. Therefore, the insured and first passenger each recover \$25,000 and the second passenger's estate recovers the full \$50,000 under the SUM coverage.

If the insured's CSL and CSL SUM limit were each \$300,000 and the insured's damages amounted to \$200,000, then all insured persons would be covered under the SUM coverage as the total damages (\$200,000 + \$25,000 + \$50,000 = \$275,000) are less than the \$300,000 CSL SUM limit.

II. OFFERINGS

A. OFFER OF STATUTORY UNINSURED MOTORISTS (UM) COVERAGE (SPLIT LIMITS)

Offer of UM Coverage	Amount of Premium (if any)
<u>\$25,000 / \$50,000</u>	<u>not offered</u>

**B. OFFER OF SUM COVERAGE
(SPLIT LIMITS)**

Offer of SUM Coverage

Amount of Increased Premium (if any)

not offered / _____
 not offered / _____
 not offered / _____
 not offered / _____
 not offered / _____

(COMBINED SINGLE LIMIT)

Offer of SUM Coverage

Amount of Increased Premium (if any)

\$50,000
 \$100,000
 \$200,000
 \$300,000
 \$500,000
 \$1,000,000

\$3
 \$4
 \$5
 \$6
 \$7
 \$9

III. SUM COVERAGE SELECTION/REJECTION OPTIONS

New Customers

Pursuant to New York law, your policy will include SUM Coverage at the same limits as your Bodily Injury Liability Coverage unless you request otherwise. If you wish to reject SUM coverage or select lower limits, you must complete this section and select one of the options below.

Renewal/Existing Customers

If you previously have purchased or rejected SUM Coverage, your current policy Declaration Page(s) will reflect that choice. That selection will continue to apply to your existing policy and any policy that renews, extends, changes, supersedes or replaces your existing policy. It will only change if a first named insured requests in writing that it be changed and pays the appropriate premium for the changed coverage.

Selection or Rejection of SUM Coverage

In accordance with New York law, the undersigned first named insured agrees to the following option:

(Applicable option marked X)

- I hereby REJECT SUM Coverage entirely.
- I hereby select the following limits of SUM Coverage, which are LOWER THAN my Split Bodily Injury Liability Limits or Combined Single Limit for Liability:

\$ _____ each person \$ _____ each accident.	OR	\$ _____ combined single limit
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- I hereby select SUM Coverage at limits EQUAL TO my Split Bodily Injury Liability Limits or Combined Single Limit for Liability.

IV. ACKNOWLEDGEMENT OF FIRST NAMED INSURED

I hereby acknowledge that I have read, or have had read to me, the above explanations and offers of SUM coverage. I further understand that the above explanations of these coverages are intended only to be brief descriptions of SUM coverage. I understand that my policy will be issued to reflect the option I have chosen with respect to the coverage shown above, and that my selection will be binding on all insureds under the policy. I further understand and agree that my selection as shown above will apply to all subsequent renewals of coverage and to all policies or endorsements which extend, change, supersede, or replace my existing policy, unless changed in writing by a first named insured.

 Signature of First Named Insured

 Date

Policy/Quote Number _____