

**EXPLANATION AND OFFER OF ADDITIONAL COVERAGES:
SUPPLEMENTARY UNINSURED/UNDERINSURED
MOTORISTS (SUM) INSURANCE**

NEW YORK

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

Under New York law you must buy **either** Statutory Uninsured Motorists Coverage **or** Supplementary Uninsured/Underinsured Motorists (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 (SUM) INSURANCE COVERAGE

You have the right to purchase additional limits of insurance coverage, called Supplementary Uninsured/Underinsured Motorists (SUM) Insurance 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 insurance 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.

PLEASE TURN PAGE TO SELECT COVERAGE AND SIGN ACKNOWLEDGEMENT.

II. OFFERINGS

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

This box is marked if this section is applicable to you.

Offer of UM Coverage

Amount of Premium (if any)

 \$25,000 / \$50,000

 not offered

PLEASE RESPOND HERE:

Do you wish to purchase UM coverage with \$25,000/\$50,000 split limits? Yes: _____ No: X

B. OFFER OF SUM COVERAGE (SPLIT LIMITS)

This box is marked if this section is applicable to you.

Offer of SUM Coverage

Amount of Increased Premium (if any)

 not offered / _____

 not offered / _____

 not offered / _____

 not offered / _____

 not offered / _____

PLEASE RESPOND HERE:

Do you wish to purchase SUM coverage with split limits? Yes: _____ No: X

If your answer is yes, then specify the limits which you desire:

I select: not offered / _____.

C. OFFER OF SUM COVERAGE (COMBINED SINGLE LIMIT)

This box is marked if this section is applicable to you.

Offer of SUM Coverage

Amount of Increased Premium (if any)

 \$50,000

 \$3

 \$100,000

 \$4

 \$200,000

 \$5

 \$300,000

 \$6

 \$500,000

 \$7

 \$1,000,000

 \$9

PLEASE RESPOND HERE:

Do you wish to purchase SUM coverage with a combined single limit? Yes: X No: _____

If your answer is yes, then specify the limit which you desire:

I select: _____.

III. ACKNOWLEDGEMENT OF APPLICANT(S)

I/We hereby acknowledge that I/we have read, or have had read to me, the above explanations and offers of SUM coverage. I/We have indicated whether or not I/we wish to purchase each coverage in the spaces provided. I/We further understand that the above explanations of these coverages are intended only to be brief descriptions of SUM coverage.

SIGNATURE

SIGNATURE

PRINT OR TYPE NAME

PRINT OR TYPE NAME

DATE

DATE

QUOTE/POLICY NUMBER