

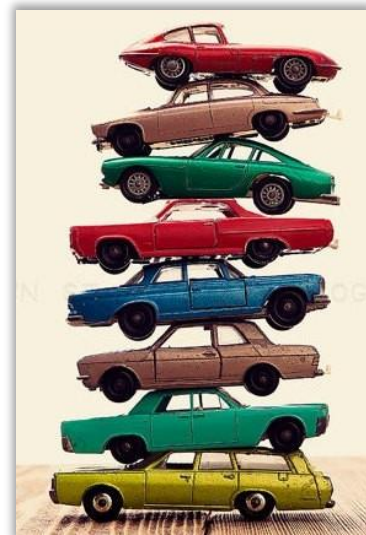
# Stacked vs Unstacked UMBI



## Why you need stacked UM even for single car policies

Insureds ask agents all the time whether or not they should get stacked Uninsured/Underinsured Motorist Bodily Injury Coverage (UMBI). Insureds know it costs more for stacked UM and unfortunately, most agents don't really understand the difference between stacked UM and non-stacked UM so all they can do many times is agree with the insured and move on. However, Stacked UM is actually a whole lot more than that. You, as the agent, should be offering stacked UM to every single insured; *even* that single car policy you just wrote.

First of all, what is uninsured motorist coverage? This very important coverage will pay for an insured's damages if he/she is in an accident with an insured who is not carrying any bodily injury liability insurance or someone who is not carrying enough bodily injury insurance to cover all the damages the driver caused to the injured party.



Many insureds tend to drop this important coverage because they don't understand what it actually pays for and how not having it can have some devastating consequences in the event of a major claim. Time and time again, I have heard agents tell insureds that stacked UM just means that coverage limits "stack on top" of each other so for example a \$100,000 limit would be \$300,000 when there are three cars on a policy. **That's part of the answer. However, non-stacked UM is a vehicle specific coverage whereas stacked UM follows the insured from vehicle to vehicle and a whole lot more. If the insured is using another vehicle and gets into a wreck, his stacked UM will cover his injuries should it be needed. Stacked UM also covers the insured as a passenger in another person's vehicle, riding a bike or even as a pedestrian. In fact, stacked UM can also follow you when you are riding in other street legal vehicles for which you may already have a separate policy for. For example, if an insured has a personal auto policy with stacked UM limits of 100/300 with ABC Insurance Company and a motorcycle policy with XYZ Insurance Company, in the event of an accident involving the motorcycle, the insured's stacked UM with ABC Ins Co will cover his injuries even though the motorcycle is insured through XYZ Ins Co.**

It is very important that you understand UMBI so that you can explain it properly to your insured's. Do not assume that the insured knows. You are the one with the license and as such, the state expects you to be the expert. In the event of a claim, the insured and his lawyer may infer that their agent didn't explain UM fully or worse, didn't even offer it. If you are deposed and can't explain what UM is and/or difference between stacked and non-stacked UM, there will be doubt as to whether you were able to explain it at all and even a UM rejection form may be called into question. There was an agency in Florida that was sued multiple times in one year by the same law firm over their failure to offer stacked or in some cases UM at all. The producer was not able to explain what UM was and the importance for it at a deposition and their E&O carrier ended up paying out every single time.

Take the time to explain all the coverages to your insureds. Failure to spend 15 minutes explaining coverages fully to your insured could mean hours on the stand and thousands of dollars out of pocket later.