The Number of Uninsured Drivers Continues to Rise

Here's a sobering statistic you might not be aware of: nationwide, when a person is injured in a car accident, the odds are about one in seven that the driver that caused the crash is uninsured. According to a recent Insurance Research Council (IRC) study, the estimated percentage of uninsured drivers rose from 12.7% in 1999 to 14.6% in 2004. The IRC studied data provided by eleven insurance carriers, which represents approximately 58% of the private passenger auto insurance market in the United States.

*Uninsured Motorists, 2006 Edition* looks at trends in the percentage of uninsured drivers by state from 1999 to 2004. In 2004, the five states with the highest uninsured driver estimates were Mississippi with 26%, Alabama with 25%, California with 25%, New Mexico with 24%, and Arizona with 22%. The five states with the lowest uninsured driver estimates were Maine with 4%, Vermont with 6%, Massachusetts with 6%, New York with 7%, and Nebraska with 8%.

The researchers estimated the number of uninsured drivers by using a ratio of insurance claims made by persons who were injured by uninsured drivers to claims made by persons who were injured by insured drivers. The study also includes recent statistics broken down by state on the frequency of claims made by uninsured motorists, the frequency of claims of bodily injury, and the ratio of uninsured motorists to bodily injury claim frequencies.

Given these statistics, it's a good idea for people to protect themselves in case they are in an accident with someone with either no coverage or not enough coverage. That's why the insurance industry developed *Uninsured Motorist Insurance* and *Underinsured Motorist Insurance*. Requirements for carrying this coverage differ from state to state. However, in general, states that are considered "no fault" auto insurance states mandate both types of coverage.

Uninsured Motorist insurance protects you when the other driver has no coverage. In order for your Uninsured Motorist coverage to help, the uninsured driver must be the person responsible for causing the accident. The types of coverage provided under this policy include:

- **Uninsured Property Damage**: Covers you when the insured vehicle sustains property damage, but the at-fault driver has no insurance.

- **Uninsured Motorist Bodily Injury**: Covers you, the insured members of your household and your passengers for bodily/personal injuries, damages or death caused by an uninsured at-fault driver. If you get into an accident in which the at-fault driver has no insurance, your policy will pay your medical expenses, up to the stated limits of your policy.

Underinsured Motorist insurance protects you when you are in an accident with a driver who does not have enough liability coverage. Again, this coverage only helps if the underinsured driver caused the accident. The types of coverage provided under this policy include:

- **Underinsured Motorist Property Damage**: Covers you when the insured vehicle sustains property damage, but the at-fault driver is covered by a policy with a liability limit insufficient to cover all the damages.

- **Underinsured Motorist Bodily Injury**: Covers you, the insured members of your household and your passengers for injuries, damages or death caused by an at-fault driver whose insurance is insufficient to cover the entire expense. If you have an accident with a driver whose policy limits are too low to pay all your damages, your policy will pay the difference up to the stated limits of your policy.

If you haven't reviewed your insurance coverage recently, talk to your insurance agent to review any gaps in your coverage. You may be putting yourself and your family in greater risk than you realize.