

September 2011

Dear Clients and Friends:

It turns out I'm only right 99% of the time. Last month my newsletter said uninsured motorist (UM) coverage will pay for damages to your car. In fact, there is UM bodily injury insurance, and as an entirely separate coverage, there is UM property damage.

On my own auto insurance for a Honda Accord, I pay about \$66 a year for UM bodily injury and \$3 for UM property damage. They are shown as separate coverages on the declarations page from the insurance company.

When certain conditions are met, the UM property damage coverage will pay for damage to your vehicle but will not be more than the *smallest* of these figures: the amount of your collision deductible; the actual cash value of your vehicle; or \$3,500. So we're not talking about a huge amount of money. It's your collision coverage that will pay the lion's share of the damage to your car.

If you have collision coverage and have opted out of UM property damage, you may be offered collision deductible waiver (CDW). If you are hit by an uninsured motorist and have CDW, your insurance company will pay the collision deductible for you.

Not all companies have the same policies and procedures regarding UM insurance. Bottom line, you need a good insurance agent to put you into the right kind of coverage.

Attorney Norman Michael Cooley pointed out the mistake in my August newsletter. Additional help came from Brandon Dove, my State Farm agent, and Kay Wegner at Fifth Avenue Insurance.

Regards,



Charles M. Shackelford