

Effective 2/1/10, there are some little known statutory changes to the [NC auto insurance policy](#)

that could trip up insurance buyers or even allow unscrupulous agents a way to sell you less coverage and pass it off as a better deal for you. Understanding the way the new law works and what it means for you is important to everyone who buys car insurance in the state of North Carolina.

The rule change has to do with uninsured and underinsured motorists coverage. You see, for many years now, the law has required you to purchase coverage limits for these coverages that are at least equal to your liability limits on your policy. So, for example, if you have liability limits for bodily injury of \$100,000 per person, then if you purchase uninsured and underinsured motorists coverage, you would have to purchase at least \$100,000 of bodily injury per person there as well.

What is important to recognize here is that over the past 2 decades, the cost of uninsured and underinsured motorists coverage has gone up several thousand percent. You can easily spend hundreds of dollars on these coverages alone. So now the law has changed and if you wish, you may carry lower limits on your uninsured and underinsured motorists than you do on your liability insurance. But really, it would rarely make any sense to do so. Consider that at any given time over 15% of all drivers on NC roads are uninsured and another large percentage is driving with the minimum allowable liability limits. And also consider that uninsured and underinsured motorists coverage is there to protect you from these people. Knowing all of this, I can't see how it would ever make any sense to carry lower limits on your uninsured motorists coverage than you have on your liability coverage.

So I see two possible places that this change in the law could cause problems for people. The first case is the do it yourself insurance consumer. If you've read many of my blogs you will know that I never recommend a [do it yourself approach to insurance](#), but there are places where you can purchase a car insurance policy without the help or advice of a professional. So these consumers are at risk for purchasing lower limits on their uninsured motorists coverage simply out of ignorance or because they think it saves them money.

The other possible problem would be if you had an unscrupulous agent quote your policy and that agent decides that he will just lower all of the uninsured and underinsured motorists limits on all quotes in order to have the lowest quote out there each time. This strategy would work for

the agent since few people pay attention to the fine print. You would probably only discover what happened if you have an uninsured or an underinsured motorists loss. By then of course it would be too late.

There's no question in my mind that almost everyone should have uninsured and underinsured motorists limits that are as high as their liability limits. The take away message for consumers is that they need to compare any [auto insurance quotes](#) carefully to make sure that they know exactly what they are buying.

At Clinard Insurance Group, in Winston Salem, NC, we work hard to help all of our clients become informed insurance buyers. If we can help you with your [home insurance](#) , your [auto insurance](#) , your [business insurance](#) or even [your life insurance](#) , please give us a call, toll free, at 877-687-7557 or visit us on the web at www.ClinardInsurance.com

.