

The Best 30 Seconds of Advice You Can Give a Client

IT IS HIGHLY PROBABLE THAT two events will happen to you or one or more of your clients in Southern California in the next five years. First, one of you will be involved in an automobile accident. And second, the driver at fault will have little or no insurance to cover the losses. A serious injury could be financially devastating if your client loses income or runs a small business. Your client will most likely be uncompensated or seriously undercompensated, despite the fact that he or she may have a strong personal injury case involving substantial damages. This potential disaster can easily be avoided if attorneys, regardless of their area of practice, provide their clients with one very simple piece of advice: Buy a large uninsured motorist policy as part of your auto policy, preferably \$500,000 per person and \$1 million per accident.

Although these policies sound expensive, they are surprisingly affordable. The premium typically costs only 10 percent to 20 percent more than the bare minimum coverage. It's a great bargain for the consumer, and it is the only way to ensure meaningful compensation if you or your client is ever seriously injured by a negligent driver. For whatever reason, insurance agents and insurance companies seem to make little effort to sell larger uninsured motorist policies, perhaps because they are not very profitable. If the agent doesn't tell your client to buy sufficient coverage, who will? The answer is you, because your client will have to take the initiative and ask for the high coverage limits. Your client may thank you for it someday.

It is shocking how many sophisticated clients with impressive backgrounds have only a small uninsured motorist policy. Clients are almost always confident that they have great policies with high, maximum coverage limits. The declarations page, however, often reveals a different story, confirming how little uninsured motorist coverage they actually have available. Unfortunately, in the practice of personal injury law, that information often comes too late. In the vast majority of personal injury cases involving serious injury, the at-fault party has minimal or no liability insurance and few assets from which to recover. There is, therefore, little that can be done if a "deep pocket" is not in sight.

It is also important to note that California is an antistacking state for uninsured motorist coverage. This means that uninsured motorist coverage does not begin to kick in until the injured party has exhausted all the underlying policies that cover the driver(s) at fault. Furthermore, the uninsured motorist insurance carrier is entitled to a credit equal to the aggregate amount of the underlying policies of the at-fault drivers. For example, if the maximum on an uninsured motorist policy is \$100,000, and two at-fault drivers carry insurance of \$50,000 each, for a total of \$100,000, the injured party will collect nothing from the uninsured/underinsured motorist policy. However, under this scenario, if the maximum of the uninsured/underinsured motorist policy was \$500,000, the carrier would still be

entitled to a \$100,000 offset, but the injured party would have \$400,000 in available coverage. This antistacking rule in California is just one more reason why it is so important to purchase an uninsured motorist policy with very high limits.

An added benefit of a large uninsured motorist policy is that it may also cover a client in other scenarios that pose a serious risk of injury. Most uninsured automobile policies extend coverage if your client is riding a bicycle, walking, or running. This is particularly important if your client is active or an athlete. Many serious-injury accident victims are either cyclists or runners who have been struck by

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a car. As a competitive triathlete and marathoner myself, I am all too familiar with how much more serious the injuries are when a cyclist or a runner is involved in a collision with an automobile. These types of accidents are surprisingly common. The more serious the injury, the more coverage that is needed. If your client purchases a large uninsured motorist policy and is a runner, cyclist, or pedestrian, he or she will be covered up to the limits of the uninsured motorist policy.

The good news is that you do not need to practice personal injury law to advise your clients to purchase a large uninsured motorist policy. It's simple, it's easy, and it's the advice they aren't getting from most of their other professional advisers—not even their own insurance agent who sold them the policy. It is great business advice that they will appreciate, and it will be the easiest 30 seconds of advice you will ever give them.

In the event they are involved in a serious accident in the future, and they are a small business owner or professional, the uninsured motorist coverage could provide an extra \$1 million that they would have never had—enough to save their business or their family home when they cannot work. After finding out the negligent driver who seriously injured them has no assets and a \$15,000 minimum policy, they may be thanking you when their personal injury attorney tells them how well prepared they were. As for us lawyers, check your own policy. You may be surprised to see that you do not have the maximum uninsured motorist coverage you can get. In the last year, many carriers have raised the maximum coverage limits you may purchase to protect you, your clients, and your family from an uninsured driver. ■

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