Auto Insurance Fairness Reform

Problem: An oddity of the current VT law means some innocent car wreck victims don't get the full value of their OWN underinsured motorist policy. Despite having more damages than all the insurance available, the at-fault driver's insurance payments are deducted from the victim's OWN policy limit. **Solution:** Amend Vermont law so the innocent victim gets the full value of their OWN underinsured motorist insurance policy. **Example:** At-Fault Driver **Injured Victim** \$25K liability insurance •\$100K in damages (lost wages/ **Rear-End Crash** policy (state law health bills/pain & suffering) minimum) •\$50K Underinsured Motorist Insurance (UIM) coverage (state law minimum) Result Current Law Proposed Law Current law allows at-fault driver's Proposed law allows an injured victim access to the full value of insurance to be deducted from a victim's underinsured motorist their underinsured motorist policy, thereby shorting the victim of \$25K of their \$50K policy. \$50K \$25K Uncompensated Uncompensated damages damages \$50K from Victim's full UIM policy \$100K \$100K Victim's Victim's Damages \$25K from victim's Damages \$50K UIM policy \$75K Recovery \$50K Recovery \$25K from at-fault \$25K from at-fault driver's insurance driver's insurance