

THE NEGLIGENCE CORNER:

ADEQUATE INSURANCE COVERAGE MEANS BOTH COMPENSATION AND PROTECTION FOR YOUR CLIENTS

by Kenneth J. Landau

With increase in the minimum limits of required automobile liability insurance of only \$25,00 per person and \$50,000 per accident, it is important to advise your clients to purchase **additional Uninsured and Underinsured coverage** to match their liability limits. This coverage is called "SUM" or Supplementary Uninsured Motorist coverage. You should also advise them to maintain liability limits of at least \$100,000 per person and \$300,000 per accident and to consider the purchase of an **umbrella policy** to provide additional protection especially if they have assets they wish to protect. Although they may be reluctant to spend additional money on insurance, to many clients an umbrella policy is well worth the additional protection and peace of mind it provides should they be sued. Additional Uninsured/Underinsured Motorist coverage will also protect them and provide compensation to them should they be seriously injured by an uninsured or inadequately insured motorist, an all too frequent occurrence in the metropolitan area.

In addition your clients should consider increasing their "no-fault" coverage especially if they earn more than the basic no-fault loss of earnings provide or to protect themselves against catastrophic medical or additional household expenses. These additional coverages cost only a few dollars more. It is always important to advise your clients to discuss the details of these additional coverages with their insurance broker but your role as an attorney and counselor is to advise them of how important these additional coverages are should they be injured or sued as a result of an accident and that based on

your experience they may well be worth the additional expense. Remind them that they must obtain these coverages *before* an accident because after an accident it will be too late. Usually they do not have to wait for their policy renewal to request these coverages and they can be added during the policy period.

In helping clients with other transactions you should always advise them of the need to review their insurance coverage, for example, when they are buying a home, becoming a landlord or tenant; starting a business, serving on a Board of Directors, or becoming an employer. Many clients do not realize that even if any lawsuits brought against them are without merit, an insurance policy will provide for their legal defense, which otherwise could cost them thousands of dollars.

Giving your clients an insurance “check-up” or audit will not only help to protect them should they be sued, but can also help to provide additional sources of compensation (which you can help them collect) should they suffer an injury or property loss.

Editor's Note:

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