



Underinsured Motorist Protection

– Why You Need It –

This Info Sheet provides basic information on ICBC’s Underinsured Motorist Protection (UMP); it is not meant to be a substitute for legal advice.

Seek legal advice if the driver who caused the accident does not have enough coverage to pay your full claim for any injuries that resulted from the accident.

Underinsured Motorist Protection (UMP) is probably the most important insurance available to you as a vehicle driver in British Columbia, and it is the most misunderstood. If you are the innocent victim of a car accident, whether you are a driver or a passenger, you can make a Personal Injury Claim against the driver who injured you. The problem is, if the at-fault driver does not carry enough insurance on his or her vehicle’s policy to pay your full claim, you will be not be fully compensated unless you can use your own UMP coverage, if you have any.

Example: you are in an accident caused by a young person who was drinking, and who has a beater of a car that they insured for \$200,000. This automatically means that the most you will receive is the ICBC UMP coverage of \$1,000,000. This may sound like a lot of money but it is not nearly enough if you or a member of your family is seriously hurt and needs lifetime care.

What Is UMP coverage?	UMP is a policy of additional insurance you can buy to protect you and the residents of your household in case of serious accident. Every driver in British Columbia automatically gets \$1,000,000 of UMP under their regular insurance policy, even if they only insured their own vehicle for \$200,000.
The downside of your automatic UMP coverage	The automatic UMP coverage of \$1,000,000 is no longer enough as significant injury claims often exceed \$1,000,000. Purchasing additional UMP coverage protects you and your family by making sure you are adequately insured, even if the at-fault driver isn’t. If you decide you need \$3,000,000 worth of protection because you have significant assets or significant income, then you need to buy UMP coverage in at least the same amount, if not more. Recent claims in this law firm regularly exceed \$1,000,000. We recommend that prudent insurers acquire \$3,000,000 in UMP coverage
Where to buy this insurance?	ICBC can sell you an additional \$1,000,000 for a total of \$2,000,000 in UMP coverage. As of 2011, this additional \$1,000,000 costs approximately \$25. Family Insurance will sell you up to an additional \$2,000,000 for approximately the same cost. To get beyond a total of \$3,000,000 UMP coverage, you must purchase an umbrella policy from a private insurer. This type of policy insures all of your assets, and the higher-end policies have up to \$5,000,000 available. An insurance broker can advise you on how much coverage you should obtain; this is an area where you can do a lot to protect yourself.