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Georgians pay premiums on coverage they may never see
Georgians will actually get what they pay for with the passage of SB 276

Atlanta-- Insurance companies in Georgia collect premiums on Uninsured/Underinsured Motorist (UM) Coverage and may never pay it out—even if you are in a catastrophic accident. In a year that the Insurance Companies are raking in record profits (“Insurers’ profits skyrocket”, AJC, 3-27-2007) consumers continue to pay for elective UM Coverage (UM is not required by law), thinking that if they were a victim in an accident they may need to access that money, and often, they cannot.

Consider this scenario if it were to occur under current law:

You are in a bad car accident—and you are not at fault. Your overall damages are \$100,000.

The at-fault driver has \$50,000 in insurance—which you collect. Like 84% of drivers in GA, you had purchased the optional UM Coverage for \$50,000. You may think that you could access that \$50,000 to cover the rest of the damages. **Under current law you cannot access the UM Coverage that you have wisely paid for every month.** You can only access the difference of the coverage if your UM is more than the at-fault driver’s liability coverage. In other words, under the same scenario, if you had \$75,000 in UM Coverage you could access only \$25,000 of it. Where does that leave you in this scenario? With \$50,000 in damages that have gone unpaid for and a policy that you have paid premiums on that you thought would help you out in just such a situation.

Under the proposed law, SB 276 authored by Senator Cecil Staton, you would be able to access your UM Coverage as it would allow you to stack your coverage on top of the at-fault driver’s to the extent of your damages. **SB 276 ensures that Georgians will get what they pay for.** Twenty-three other states, including our neighbors Alabama, Florida, and South Carolina have similar measures that allow consumers to actually get what they pay for.

“Sadly most people don’t know that they can’t access this coverage until they are in a bad wreck,” said Chan Caudell an attorney in Cornelia. **“Often I get calls from people who are injured, missing work, and don’t know how to cover their bills and feed their families. They thought the insurance they had chosen to purchase would help them. Unfortunately, I have to tell them it won’t. SB 276 would change that.”**

Not surprisingly, the big insurance companies oppose SB 276, they say that it would increase premiums for UM Coverage. **The industry’s own numbers show that SB 276 would increase the premium for \$25k in UM Coverage no more than \$3.70 a month. And UM coverage is NOT mandatory under GA law, so no one will be forced to pay higher premiums under SB 276.**

Insurance Commissioner John Oxendine has just recently come out against the bill—citing different numbers every time. He said that SB 276 would have minimal benefits (Morris News Service, 4-11-2007). Consumers should not be fooled by this industry rhetoric.

Georgians deserve to get what they have paid for. SB 276 is good for consumers.

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