

Underinsured Motorists: 2017-2022

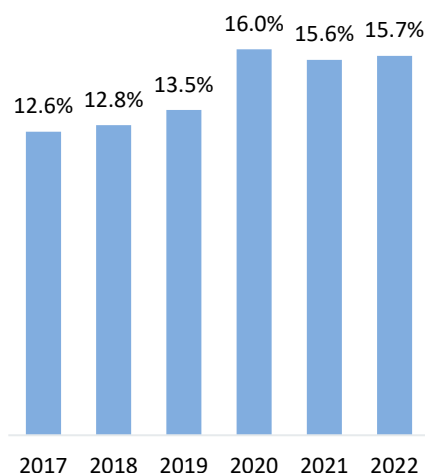
Underinsured motorists (UIM) are drivers who have purchased auto liability insurance but cause an accident that results in injury costs and/or property damage that exceed their liability policy limits. This study is the Insurance Research Council's first which estimates the number of underinsured drivers on the nation's roads, based on the relative frequencies of auto insurance claims.

Underinsured drivers exist because of both the at-fault driver's choice of liability policy limits *and* the accident victim's reported losses from their injuries or vehicle damage. Thus, efforts to improve underinsurance among drivers may require focus not only on policyholders' choice of liability limits but also on the upward pressures on average claim severity, such as economic inflation, heavy medical utilization, high rates of attorney involvement in claims, and bad faith litigation.

Key Findings:

- In 2022, more than one in seven drivers countrywide (15.7 percent) were underinsured.
- The UIM rate increased from 12.6 percent in 2017 to a peak at 16.0 percent in 2020 and remained high in 2021 and 2022.
- Underinsured motorist rates in 2022 varied substantially among individual states, ranging from 5.6 percent in the District of Columbia to 40.9 percent in Colorado. Other states with relatively high UIM rates include Nevada, Georgia, Louisiana, and Kentucky.

UIM Rate Over Time



2022 UIM Rate by State

