

Underinsurance: Policies providing uninsured motorist **coverage** must also include **underinsured motorist coverage** ([Ins.C. § 11580.2](#)). The minimum limits are the same as for uninsured motorist coverage (§ 7:275) but may be waived or modified as with uninsured coverage (§ 7:276). [[Ins.C. § 11580.2\(n\), \(p\)\(7\)](#)]

(1) [7:286.1] **Nature of coverage:** Underinsurance covers the insured where the tortfeasor-driver is insured, yet *underinsured*—i.e., where the policy limits for the driver who caused the accident are less than the claimant-victim's **underinsured motorist** limits. [[Ins.C. § 11580.2\(p\)\(2\)](#)] In this event, the underinsured motorist portion of claimant's policy can be applied to make up the difference, less any third party tortfeasor contributions or other applicable set-offs (§ 7:287.1). [[Ins.C. § 11580.2\(p\)\(3\) & \(4\)](#)]

(a) [7:286.2] **Example:** Insured claimant sustains an automobile accident injury reasonably worth a \$40,000 recovery. The negligent driver has the statutory minimum amount of bodily injury liability coverage (\$30,000). If claimant's **underinsured motorist coverage** is \$40,000, he or she can recover the \$10,000 difference from his or her own insurance company.