



STATE OF ARIZONA
DEPARTMENT OF INSURANCE

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Governor

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JOHN A. GREENE
Director of Insurance

Circular Letter 1998-5

**TO: All Insurance Industry Representatives, Insurance Trade Associations,
Insurers That Sell Motor Vehicle Liability Insurance, And Interested Parties**

**FROM: John A. Greene
Director of Insurance**

DATE: August 11, 1998

**RE: Form for Selection of Limits or Rejection of Uninsured Motorist or
Underinsured Motorist Coverage**

This is to inform you about the effect of recent law changes regarding the offer, purchase, and sale of uninsured and underinsured motorist coverages. Senate Bill 1273 amended A.R.S. § 20-259.01, effective August 21, 1998, returning it to its form before the 1997 enactment of Senate Bill 1445.

The new legislation eliminates the *Consumer Information and Coverage Selection* form mandated by Senate Bill 1445 and reinstates the requirement that every insurer writing automobile liability or motor vehicle liability policies in Arizona make available and offer by written notice uninsured motorist and underinsured motorist coverage which extends to and covers all persons insured under the policy in limits not less than the liability limits for bodily injury or death contained within the policy. As under prior law, this offer need not be made in the event of the reinstatement of a lapsed policy or the transfer, substitution, modification or renewal of an existing policy.

As stated above, the act removes the requirement that insurers continue to use the *Consumer Information and Coverage Selection* form mandated by Senate Bill 1445. As under former law, an insurer must provide to all applicants a selection form containing written notice and an offer of uninsured and underinsured motorist coverage. The form used by an insurer to offer uninsured and underinsured motorist coverage must be approved by the Director prior to its use by the insurer. Further, the law makes clear that the selection (or rejection) of coverage will be valid for all insureds under the policy.

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Another purpose of this Circular Letter is to inform insurers that the attached forms, in English and Spanish, may be used by insurers to satisfy the requirements of A.R.S. § 20-259.01. Those insurers electing to use this form must complete the blank provided for the name of their insurance company and file it with the Department. Please note that this is the same form previously published with Circular Letter 94-3.

The Arizona Department of Insurance will consider for approval forms submitted by insurers which contain essentially the same information as the attached form and which also include the insurer's name.

Descriptions of the nature of bodily injury coverage, property damage coverage, collision coverage, comprehensive coverage, medical payment coverage, uninsured motorist coverage and underinsured motorist coverage will be included in the Automobile Premium Comparison Survey published by the Department twice each year pursuant to A.R.S. § 20-265.

COMPANY NAME: _____

UNINSURED AND UNDERINSURED MOTORIST COVERAGE SELECTION FORM

DO NOT SIGN UNTIL YOU READ

You have a legal right to purchase *both* Uninsured and Underinsured Motorist coverages with the proposed automobile liability policy. THESE COVERAGES PROTECT YOU, YOUR FAMILY AND YOUR PASSENGERS. LIABILITY COVERAGE DOES NOT IN MOST CASES.

Uninsured motorist insurance provides protection for bodily injuries caused by a negligent motorist who has no insurance. Underinsured motorist coverage provides protection if the negligent motorist does not have enough liability insurance to pay for the injuries caused. For a more detailed explanation of these coverages, refer to your policy. This policy will provide Uninsured/Underinsured coverage in the same amount as the policy's Bodily Injury Liability Limit, unless you select a lower amount or no coverage, as stated in this notice.

You have a right to purchase both Uninsured Motorist coverage and Underinsured Motorist coverage in any amount from \$30,000 single limit (or \$15,000/\$30,000 split limits) up to your policy's liability limit, or you may reject the coverage entirely. Neither limit may exceed your liability coverage limits for Bodily Injury.

Your Bodily Injury Limit on the policy: _____

Options available for Uninsured and Underinsured Motorist coverages:

<u>Uninsured Motorist Liability</u>				<u>Underinsured Motorist Liability</u>			
Accept	Reject	(initial)		Accept	Reject	(initial)	
_____	_____	_____	_____	_____	_____	_____	_____
		Limit	Premium			Limit	Premium
_____	_____	_____	_____	_____	_____	_____	_____
		Limit	Premium			Limit	Premium
_____	I do not wish to purchase <u>UN</u> insured motorist coverage			_____	I do not wish to purchase <u>UNDER</u> insured motorist coverage		

I understand and agree that selection of any of the above options applies to my liability insurance policy and future renewals or replacements of such policy which are issued at the same Bodily Injury Liability Limits. If I decide to select another option at some future time, I must let the Company know in writing.

DO NOT SIGN UNTIL YOU READ

Signed: _____ Date: _____
(Named Insured)

Attached to application dated: _____

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Nombre de la compañía _____

**FORMA DE SELECCIÓN DE COBERTURA AUTOMOVILÍSTICA
NO-ASEGURADO Y SEGURO LIMITADO**

NO FIRME HASTA QUE USTED LO LEA

Usted tiene el derecho legal de comprar cobertura Automovilística No-Asegurado y Seguro Limitado con la póliza automovilística propuesta. ESTAS COBERTURAS LO PROTEGEN A USTED, A SU FAMILIA Y A SUS PASAJEROS. EN LA MAYORÍA DE LOS CASOS LA COBERTURA DE RESPONSABILIDAD NO LOS CUBRE.

El seguro Automovilístico de No Asegurado provee protección para lesiones físicas causadas por un negligente que no tiene seguro. La cobertura Automovilística de Seguro Limitado provee protección si el automovilista negligente no tiene suficiente seguro de responsabilidad para pagar las lesiones causadas. Para una explicación más detallada de estas coberturas, consulte a su póliza. Esta póliza proporcionará cobertura de No Asegurado y Seguro Limitado en la misma cantidad del límite de responsabilidad de lesiones físicas de la póliza a menos que usted seleccione una cantidad menos o ninguna cobertura como esta declarado en este aviso.

Usted tiene el derecho de comprar ambas coberturas de No-Asegurado y Seguro Limitado de cualquiera cantidad desde un límite sencillo de \$30,000 (o límites divididos \$15,000/\$30,000) hasta el límite de responsabilidad de la póliza, o usted puede rechazar las coberturas totalmente. Ningún límite puede sobre pasar los límites de su cobertura de responsabilidad de lesiones físicas.

Su límite de lesiones físicas en la póliza es _____.

Opciones disponibles de responsabilidad automovilística para No Asegurado y Seguro Limitado:

Limitaciones de Responsabilidad de No Asegurado				Limitaciones de Responsabilidad de Seguro Limitado			
Acepto (iniciales)	Rechazo (iniciales)	Limitaciones	Precio	Acepto (iniciales)	Rechazo (iniciales)	Limitaciones	Precio
_____	_____	\$15,000/30,000	\$ _____	_____	_____	\$15,000/30,000	\$ _____
_____	_____	_____	\$ _____	_____	_____	_____	\$ _____
_____	_____	_____	\$ _____	_____	_____	_____	\$ _____

Yo entiendo y estoy de acuerdo que la selección de cualquiera de estas opciones aplican mi póliza de seguro de responsabilidad y renovaciones o reemplazos en el futuro de dicha póliza, los cuales han sido emitidos a los mismos límites de responsabilidad de lesiones físicas. Si decido seleccionar otra opción en algún tiempo en el futuro, debo notificar a la compañía en forma escrita.

NO FIRME HASTA QUE LO LEA

Firma: _____ Fecha: _____
(Nombre De Asegurado)

Adjunto con esta solicitud con fecha de: _____