



STATE OF ARIZONA
DEPARTMENT OF INSURANCE

JANE DEE HULL
Governor

2910 NORTH 44th STREET, SUITE 210
PHOENIX, ARIZONA 85018-7256

CHARLES R. COHEN
Acting Director of Insurance

CIRCULAR LETTER 1998-12

TO: All Insurance Industry Representatives, Insurance Trade Associations, Insurers that Sell Motor Vehicle Liability Insurance, and Interested Parties

FROM: Charles R. Cohen
Acting Director of Insurance

DATE: November 9, 1998

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

This Circular Letter should be read together with Circular Letter 1998-5, which is attached.

Prior to 1997, A.R.S. § 20-259.01 required every insurer writing automobile liability or motor vehicle liability policies to, by written notice, offer uninsured motorist (UM) and underinsured motorist (UIM) coverages to an insured. The Department developed a one-page form, "*The Uninsured and Underinsured Motorist Coverage Selection Form*" (UM/UIMCSF), for insurers to use to meet this requirement.

In 1997, the Legislature enacted Senate Bill 1445, which became effective July 21, 1997. Senate Bill 1445 amended A.R.S. § 20-259.01 by requiring insurers to provide insureds with a longer form with more information. The Department developed an approved form, "*The Consumer Information and Coverage Selection Form*" (CICSF), for insurers to use to meet this requirement.

In 1998, the Legislature passed Senate Bill 1273 which again amended A.R.S. § 20-259.01. Senate Bill 1273 (effective August 21, 1998), restored A.R.S. § § 20-259.01 to the way it was before passage of Senate Bill 1445. In Circular Letter 1998-5, the Department advised insurers that they could use the UM/UIMCSF to meet the notice requirements of A.R.S. § 20-259.01, as amended by Senate Bill 1273.

The Department has become aware that there may be some confusion regarding implementation of Senate Bill 1273. A question has arisen as to whether an insurer must provide the UM/UIMCSF to an insured who previously received the CICSF. The answer is "no."

Senate Bill 1273 specifically provides: “The 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.” The Arizona Department of Insurance interprets this language to mean that an insurer does not need to provide the **UM/UIMCSF** to an insured who previously received the **CICSF**, when the insured is reinstating a lapsed policy, or merely transferring, substituting, modifying or renewing an existing policy.

STATE OF ARIZONA
DEPARTMENT OF INSURANCE

JANE DEE HULL
Governor

2910 NORTH 44th STREET, SUITE 210
PHOENIX, ARIZONA 85018-7256
602/912-8456 (phone) 602/912-8452 (fax)
<http://www.state.az.us/id>

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.