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## Technical Advisory

TA 268

January 28, 2008

**Subject: New Uninsured/Underinsured Motorist Bodily Injury Coverage Form**

**Background:** The 1997 amendment to LSA-R.S. 22:1406 required that an insured's automobile liability insurance policy will include uninsured/underinsured motorist bodily injury coverage at the same limits as the bodily injury liability coverage in the policy unless the insured properly completes and signs a form prescribed by the Commissioner of Insurance rejecting, selecting lower limits or selecting economic-only coverage.

When completed and signed by the named insured or his legal representative, the UM form becomes a part of the policy or insurance contract when issued and delivered. The current UM form was originally prescribed and distributed by the Commissioner in Bulletin LIRC 98-01 and remained unchanged.

**Main Points.** The attached bulletin from the Louisiana Department of Insurance LDOI Bulletin No. 08-02 is to issue the revised UM form. The revised UM form incorporated changes designed to address issues and assist both insureds and insurers in addition to the Louisiana courts.

All property and casualty insurers writing automobile insurance in Louisiana will be required to use the revised UM form. Please see information from LDOI in the attached bulletin. **Important date to remember: On or after January 1, 2010, all UM selections/rejections for new policies as well as modifications to the limits of liability of in-force policies shall be executed on the revised UM form issued with LDOI Bulletin No. 08-02.**

The revised UM form removes the option to "select" UMBI coverage with the same bodily injury liability limits set forth in the policy. An insured is not required to "select" UMBI coverage at the same limit as the bodily injury liability coverage set forth in the policy.

The new UM form includes two (2) boxes on the lower right hand corner of the form.

- 1) The upper box can be used for policy information, i.e. policy number, binder number, etc.).  
This box does not need to be completed for the form to be properly completed.
  - 2) The lower box must contain one of the following:
    - a) individual company name
    - b) group name
    - c) insurer's logo
- ◆ The revised UM form now provides an option for combined single limits.
  - ◆ A policy effective date is not stated on the revised UM form and it becomes part of the insurance contract.
  - ◆ The revised UM form does not have to be physically attached to the policy to become part of the policy.
  - ◆ If economic-only UMBI is offered the insurer must make a form filing and obtain approval for LDOI.
  - ◆ The following tasks must be completed by the insured:
    - His/Her signature
    - His/Her printed name to identify his/her signature
    - Date form is completed
    - Initials to select/reject UMBI coverage, prior to signing form
  - ◆ If the insured selects lower limits the exact amount of coverage must be printed on the appropriate line on the revised UM form prior to the insured signing the form.

Questions regarding LDOI Bulletin 08-02 should be directed to the Director of Policy Forms, Office of Property and Casualty at the Louisiana Department of Insurance, 225/342-1258

**Necessary Action.** Circulate this Technical Advisory to all agency staff writing automobile liability insurance.



LOUISIANA DEPARTMENT OF INSURANCE  
JAMES J. DONELON  
COMMISSIONER

**BULLETIN NO. 08-02**

**TO: ALL PROPERTY AND CASUALTY INSURANCE COMPANIES**

**FROM: JAMES J. DONELON**

**RE: UNINSURED/UNDERINSURED MOTORIST BODILY INJURY  
COVERAGE FORM**

**DATE: AUGUST 29, 2008**

**Background**

Pursuant to the 1997 amendment to LSA-R.S. 22:1406 (redesignated as LSA-R.S. 22:680 by Act 456 of the 2003 Regular Session of the Louisiana Legislature) an insured's automobile liability insurance policy will include uninsured/underinsured motorist bodily injury coverage at the same limits as the bodily injury liability coverage in the policy unless the insured properly completes and signs a form prescribed by the Commissioner of Insurance (Commissioner) rejecting, selecting lower limits or selecting economic-only coverage. A properly completed and signed Uninsured/Underinsured Motorist Bodily Injury Coverage Form (UM form) creates a rebuttable presumption that the insured knowingly rejected coverage, selected a lower limit, or selected economic-only coverage.

When properly completed and signed by the named insured or his legal representative, this UM form shall be conclusively presumed to become part of the policy or insurance contract when issued and delivered. The current UM form was originally prescribed and distributed by the Commissioner in Bulletin LIRC 98-01. With the exception of a statutory reference correction in Louisiana Department of Insurance (LDOI) Bulletin No. 01-05 Amended, the UM form has remained unchanged since it was issued in Bulletin LIRC 98-01.

**Purpose**

The purpose of LDOI Bulletin No. 08-02 is to issue the revised UM form. The revision is in response to the myriad of issues that Louisiana courts have recently examined regarding the current UM form, including, but not limited to, what constitutes a properly completed form, what information must be included prior to the insured's signature, policy identification, company identification and backdating. The revised UM form incorporates changes designed to address these issues and assist both insureds and insurers as well as Louisiana courts.

The Commissioner hereby gives notice that all property and casualty insurers writing automobile liability insurance in Louisiana shall be required to use the revised UM form in accordance with the following instructions and information:

#### **Important Dates**

- Between September 1, 2008, and January 1, 2010, a company, at its option, may utilize the revised UM form issued with LDOI Bulletin No. 08-02 or the UM form issued with Bulletin LIRC 98-01.
- On or after January 1, 2010, all UM selections/rejections for new policies as well as modifications to the limits of liability of in-force policies shall be executed on the revised UM form issued with LDOI Bulletin No. 08-02. A UM form is "executed" on the date the policy or policy endorsement takes effect. For example, with a new policy, a UM form completed before January 1, 2010 is not "executed" until the date the policy takes effect, i.e. the beginning of the policy period. If the UM form is not obtained or is improperly completed, it will be presumed that the policyholder purchased uninsured/underinsured motorist bodily injury (UMBI) coverage at the same limit as the bodily injury liability coverage set forth in the policy.
- A properly completed and signed UM form executed prior to January 1, 2010 shall remain valid for the life of the policy unless there are modifications to the bodily injury limits of liability or the UMBI coverage.

#### **Important Form Changes**

- **Option to "select" UMBI coverage** - The revised UM form removes the option to "select" UMBI coverage with the same bodily injury liability limits set forth in the policy. An insured is not required to "select" UMBI coverage at the same limit as the bodily injury liability coverage set forth in the policy under LSA-R.S. 22:680, because such coverage is statutorily presumed absent a properly completed and signed UM form indicating a different choice.
- **Policy number and other policy identification information** - The revised UM form includes two boxes on the lower right hand corner of the form.
  - The upper box contains an area that the insurer may use for policy information purposes (e.g. policy number, binder number, application number, etc.). This box does not need to be filled in for the form to be properly completed.
  - The lower box must contain one of the following: the individual company name, the group name, or the insurer's logo.


- **Combined single limits** - The revised UM form now provides an option for combined single limits.

#### **Other Information and Instructions**

- A policy effective date is not explicitly stated on the revised UM form because the form is conclusively presumed to become part of the insurance contract. The date on the insurance contract is sufficient for identifying the effective date of the revised UM form.
- The revised UM form does not have to be physically attached to the policy to conclusively become part of the policy.
- If an insurer offers economic-only UMBI, the insurer must make a form filing and obtain approval from the Louisiana Department of Insurance.
- The following tasks must be completed by the insured:
  - His/Her signature
  - His/Her printed name to identify his/her signature
  - The date the form is completed
  - Initials to select/reject UMBI coverage prior to signing the form.
- If the insured selects lower limits (available in options 1 and 3 of the revised UM form) the exact amount of coverage must be printed on the appropriate line on the revised UM form prior to the insured signing the form.

Questions regarding LDOI Bulletin No. 08-02 should be directed to the Director of Policy Forms, Office of Property and Casualty, at the Louisiana Department of Insurance at 225-342-1258.

Baton Rouge, Louisiana this 29th day of August, 2008.

  
JAMES J. DONELON  
COMMISSIONER OF INSURANCE

# STATE OF LOUISIANA

This form may not be altered or modified

## UNINSURED/UNDERINSURED MOTORIST BODILY INJURY COVERAGE FORM

**Uninsured/Underinsured Motorists Bodily Injury Coverage**, referred to as "UMBI" in this form, is insurance that pays persons insured by your policy who are injured in an accident caused by an owner or operator of an uninsured or underinsured motor vehicle. Depending on the coverage purchased, UMBI Coverage can provide compensation for both economic and non-economic losses.

**Economic losses** are those that can be measured in specific monetary terms including but not limited to medical costs, funeral expenses, lost wages, and out of pocket expenses.

**Non-economic losses** are losses other than economic losses and include but are not limited to pain, suffering, inconvenience, mental anguish and other non-economic damages otherwise recoverable under the laws of this state.

**By law, your policy will include UMBI Coverage at the same limits as your Bodily Injury Liability Coverage unless you request otherwise.** If you wish to reject UMBI Coverage, select lower limits of UMBI Coverage, or select Economic-Only UMBI Coverage, you must complete this form and return it to your insurance agent or insurance company. (Economic-Only UMBI Coverage may not be available from your insurance company. In this case, your company will have marked options 2 and 3 below as "Not Available" or "NA.")

### UNINSURED/UNDERINSURED MOTORIST BODILY INJURY COVERAGE

You may select one of the following UMBI Coverage options (initial only one option):

1. \_\_\_\_\_  
Initials      **I select UMBI Coverage** which provides compensation for economic and non-economic losses **with limits lower** than the Bodily Injury Liability Coverage limits indicated on the policy:  
  
\$ \_\_\_\_\_ each person      | **OR** \$ \_\_\_\_\_ each accident/occurrence  
\$ \_\_\_\_\_ each accident/occurrence
2. \_\_\_\_\_  
Initials      **I select Economic-Only UMBI Coverage**, which provides compensation for economic losses **with the same limits** as the Bodily Injury Liability Coverage indicated on the policy.
3. \_\_\_\_\_  
Initials      **I select Economic-Only UMBI Coverage**, which provides compensation for economic losses **with limits lower** than the Bodily Injury Liability Coverage limits indicated on the policy:  
  
\$ \_\_\_\_\_ each person      | **OR** \$ \_\_\_\_\_ each accident/occurrence  
\$ \_\_\_\_\_ each accident/occurrence
4. \_\_\_\_\_  
Initials      **I do not want UMBI Coverage.** I understand that **I will not be compensated through UMBI coverage** for losses arising from an accident caused by an uninsured/underinsured motorist

### SIGNATURE

The choice indicated and initialed on this form will apply to all persons and/or entities insured under this policy. This choice shall apply to the motor vehicles described in this policy and to any replacement vehicles, to all renewals of this policy, and to all reinstatement, substitute or amended policies until a written request is made for a change to the Bodily Injury Liability Limits, the UMBI limits or UMBI Coverage.

\_\_\_\_\_  
Signature of Named Insured or Legal Representative

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Date

<Optional Information for Policy  
Identification Purposes Only>

<Individual Company Name; Group Name and/or Logo>