297. UNINSURED MOTORISTS INSURANCE

The following is added to Rule **297.:**

A. Application

Uninsured Motorists Coverage and Underinsured Motorists Coverage must be provided.

1. Uninsured Motorists Coverage – Bodily Injury

Use Utah Uninsured Motorists Coverage Endorsement CA 21 62**.** For split limits, also use Split Bodily Injury Uninsured Motorists Coverage Limits Endorsement CA 21 02**.**

**a.** Uninsured Motorists Bodily Injury Coverage shall be provided at limits equal to the lesser of the limits of the named insured's bodily injury liability limits or the maximum uninsured motorists coverage limits made available by the insurer.

**b.** A named insured may reject Uninsured Motorists Bodily Injury Coverage or select lower limits of this coverage, but not less than financial responsibility limits, in writing on a form provided by the insurer that includes a reasonable explanation of the purpose of this coverage and discloses the additional premiums required to purchase this coverage equal to the lesser of the limits of the named insured's bodily injury liability limits or the maximum Uninsured Motorists Bodily Injury Coverage limits made available by the insurer.

**c.** The rejection of Uninsured Motorists Bodily Injury Coverage or selection of lower limits continues unless there is a change to an existing policy that results in a named insured being added or deleted from the policy or a change in the limits of the named insured's motor vehicle liability coverage, in which case, refer to Paragraphs **A.1.a.** and **A.1.b.** (such changes do not include the addition of vehicle(s) to an existing policy).

**d.** The insurer is not required to provide the rejected coverage or higher limits on subsequent renewals or reinstatements, unless the named insured requests such coverage in writing.

**e.** Section 31A-22-305(5)(b)(i) of the Utah Code provides that all persons, including governmental entities, engaged in the business of, or that accept payment for, transporting natural persons by motor vehicle, and all school districts that provide transportation services for their students, shall provide coverage for vehicles used for that purpose, by purchase of a policy of insurance or self-insurance, Uninsured Motorists Bodily Injury Coverage in limits of at least $30,000 per person and $500,000 per accident.

2. Underinsured Motorists Coverage – Bodily Injury

Use Utah Underinsured Motorists Coverage Endorsement CA 31 06**.** For split limits, also use Split Bodily Injury Underinsured Motorists Coverage Limits Endorsement CA 21 51**.**

**a.** Underinsured Motorists Bodily Injury Coverage shall be provided at limits equal to the lesser of the limits of the named insured's bodily injury liability limits or the maximum Underinsured Motorists Bodily Injury Coverage limits made available by the insurer.

**b.** A named insured may reject or select lower limits of this coverage, but not less than a $20,000 combined single limit for bodily injury, in writing on a form provided by the insurer that includes a reasonable explanation of the purpose of this coverage and discloses the additional premiums required to purchase this coverage equal to the lesser of the limits of the named insured's bodily injury liability limits or the maximum Underinsured Motorists Bodily Injury Coverage limits made available by the insurer.

**c.** The rejection of Underinsured Motorists Bodily Injury Coverage or selection of lower limits continues unless there is a change to an existing policy that results in a named insured being added or deleted from the policy or a change in the limits of the named insured's motor vehicle liability coverage, in which case, refer to Paragraphs **297.A.2.a.** and **297.A.2.b.** (such changes do not include the addition of vehicle(s) to an existing policy).

**d.** The insurer is not required to provide the rejected coverage or higher limits on subsequent renewals or reinstatements, unless the named insured requests such coverage in writing.

**e.** If Liability Coverage also applies to hired or non-owned automobiles, Underinsured Motorists Bodily Injury Coverage must be provided for those autos.

3. Uninsured Motorists Coverage – Property Damage

Uninsured Motorists Property Damage Coverage must be made available, at the request of the named insured, at a limit equal to the actual cash value of the covered auto or $3,500, whichever is less, and subject to a $250 deductible. Use Utah Uninsured Motorists Coverage – Property Damage Endorsement CA 21 36**.**

**a.** This coverage will only apply to motor vehicles insured on the policy that are not insured for Collision Coverage.

**b.** The insurer may make available to the insured higher property damage limits and higher deductibles applicable to such limits.

**c.** Uninsured Motorists Property Damage Coverage does not provide coverage for damage caused by underinsured motorists.

B. Premium Computation

**1.** Identify the exposures in this jurisdiction for which coverage applies and for which a premium will be charged. Exposures include owned self-propelled vehicles and sets of registration plates not issued to a specific auto (including dealer and transporter plates).

**a.** For Underinsured Motorists Coverage only, exposures also include employees (for non-owned autos) and the cost of hire (for hired autos), but only if Liability Coverage applies to hired and/or non-owned autos. For Uninsured Motorists Coverage, do not charge a premium for hired and non-owned autos.

**b.** For Uninsured and Underinsured Motorists Coverage, do not charge a premium for the following:

**(1)** Trailers;

**(2)** Owned vehicles which have not been assigned registration plates (such as Auto Dealers' inventory); or

**(3)** Registration plates used to transport non-owned autos (such as drive-away contractors rated under Rule **269.**).

**2.** Determine the exposure type (Private Passenger Type or Other Than Private Passenger Type). For the purposes of this premium development, Private Passenger Types include exposures which are classified under Section **III** of Division One or are explicitly described as Private Passenger Types elsewhere in Division One. Unless instructed otherwise, all other exposures are considered to be Other Than Private Passenger Types, even when rating for other coverages is based on Private Passenger Types.

**3.** For some autos, the Uninsured And Underinsured Motorists Coverage Premium Formula is given in the section for that auto. For all other autos to which the coverage applies, the following premium formula applies for each auto. Note that the additional premium in Paragraph **B.4.** may apply in either case.

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| --- | --- | --- |
|  | 🖙 | Premium = Loss Cost |

**a.** Select the appropriate loss costs table as follows:

**(1)** For Single Limits Uninsured Motorists Bodily Injury Coverage, refer to state loss costs Table **297.B.3.a.(1)(LC).**

**(2)** For Single Limits Underinsured Motorists Bodily Injury Coverage, refer to state loss costs Table **297.B.3.a.(2)(LC).**

**(3)** For Split Limits Uninsured Motorists Bodily Injury Coverage, refer to state loss costs Table **297.B.3.a.(3)(LC).**The initial limits provided are the minimum financial responsibility limits required in Utah.

**(4)** For Split Limits Underinsured Motorists Bodily Injury Coverage, refer to state loss costs Table **297.B.3.a.(4)(LC).**

**(5)** For split bodily injury limits of $30,000/$500,000 for Public Autos Uninsured Motorists Bodily Injury Coverage, refer to state loss costs Table **297.B.3.a.(5)(LC).** For higher limits, use Other Than Private Passenger Type loss costs.

**(6)** For Uninsured Motorists Property Damage Coverage, refer to state loss costs Table **297.B.3.a.(6)(LC).**

**4.** For policies (other than Auto Dealers) issued to individual named insureds, charge an additional premium once for the policy.

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| --- | --- | --- |
|  | 🖙 | Additional Premium = Loss Cost \* Individual Named Insureds Coverage Factor |

**a.** Use the same Loss Cost from Paragraph **B.3.a.** which was used to rate Bodily Injury Coverage for the auto with the highest limit.

**b.** Individual Named Insureds Coverage Factor

|  |  |
| --- | --- |
|  | Factor |
|  | 0.05 |

Table 297.B.4.b. Individual Named Insureds Coverage Factor

**5.** For policies (other than Auto Dealers) issued to individual named insureds, also charge an additional premium once for each exposure. Do not charge the additional premium a second time for any vehicle for either Uninsured Motorists Property Damage Coverage or Underinsured Motorists Bodily Injury Coverage.

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| --- | --- | --- |
|  | 🖙 | Additional Premium = Loss Cost |

**a.** Loss Cost in state loss costs Table **297.B.5.a.(LC).**