AMERICAN INTERNATIONAL COMPANIES

PROGRAM DIVISION BULLETIN

2004-53

December 17, 2004

DELAWARE Motorist's Protection Act & Required Acknowledgement of Deductibles and Policy Cost.

Lines of Business: Commercial Automobile—Business Automobile, Garage and Truckers

SUMMARY

Effective October 1, 2004, the Delaware Legislature enacted Senate Bill 166 which amends the procedures in which an insurer may provide deductible options for Personal Injury Protection (PIP) coverage to a named insured. This new law limits the maximum amount of the PIP deductible to \$1,000.00 and requires that the insurance carrier explain the effects of the deductible on the auto coverages selected by the named insured.

As you know, we currently utilize AIG PIP selection / rejection form which explains all of the PIP deductible options available in the State of Delaware to the named insured.

As a result of this new law, we must now also provide the named insured with a separate statement acknowledging the specific deductible amount selected by the named insured and the premium cost associated with the deductible selected.

In order to be compliant with this new law, we have developed a new and separate form referred to as the **Delaware PIP Deductible Acknowledgement Form (87130 12/04)**. Please note, that like all PIP selection / rejection forms, this new form must be signed by the authorized representative of the named insured and that this new form must also be kept within the underwriting file for documentation purposes. A copy of this new form has been inserted directly below for your use.

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If you have any questions please contact your Program Manager.

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DELAWARE MOTORIST'S PROTECTION ACT REQUIRED ACKNOWLEDGEMENT OF DEDUCTIBLES AND POLICY COST

Named Insured

Policy Number

COVERAGES	DEDUCTIBLE OPTIONS	Ś	SELECTION
	(YOU MUST SELECT LIMITS AND		
	COVERAGE DESIRED)		
NO-FAULT (Compulsory -		NO-FAULT DEDUCTIBLE	
Additional Personal Injury Protection	I WANT (choose only one of the following)	[] \$250	[] \$500
available by selecting higher limits)	[]Full Coverage with <u>NO</u> deductible		
	[]Deductible applicable to <u>Named Insured</u>	[]\$1,000	
	<u>Only</u> , in amount as shown in Selection Column >>		
	[]Deductible applicable to <u>Named Insured</u>		
	and Members of his household, in amount as		
	shown in Selection Column >>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>		RCYCLE DEDUCTIBLE
		[]\$250	[] \$500
	I WANT (Motorcycle Risks Only)		
	[]Restricted Coverage – Excludes off the highway	[]\$1,000	
	accidents and accidents when no other vehicle is		
	involved, with the Deductible in amount as shown		
	in Selection Column >>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>		
Policy premium including the No-Fault/Personal Injury Protection			
coverage deductible selected above:		\$	

After having been fully advised of the deductible options available to me, and the costs related to the deductible I have chosen, by my signature below, I acknowledge my request that my policy be issued with the deducible selected above.

Effective Date

Authorized Signature of Named Insured

Date Signed

Name and Title