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BULLETIN TO ALL MEMBERS:

INFORMATION RE UNINSURED MOTORIST COVERAGE

The Stamping Office and Contact Committee has directed the Stamping Office to call your attention to Chapter 817, Laws 1959, Assembly Bill No. 1836, which reads as per the attached.

This bulletin is for information purposes only.

Thomas A. Scadden

MANAGER

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Section 11580.2 UNINSURED MOTORIST ENDORSEMENT OR COVERAGE

REQUIRED POLICY PROVISIONS OR ENDORSEMENT

(a) No policy of bodily injury liability insurance covering liability arising out of the ownership, maintenance, or use of any motor vehicle, shall be issued or delivered in this State to the owner or operator of a motor vehicle, or shall be issued or delivered by any insurer licensed in this State upon any motor vehicle then principally used or principally garaged in this State, unless the policy contains, or has added to it by endorsement, a provision insuring the named insured and any other person legally responsible for the use of or using the motor vehicle with the consent, express or implied, of the named insured, for all sums which he shall be legally entitled to recover as damages for bodily injury from the owner or operator of an uninsured motor vehicle, with coverage limits at least equal to the financial responsibility requirements specified in Sections 16059 and 16451 of the Vehicle Code; provided, however, that the insurer and the insured may by supplemental agreement waive application of the provision covering damage caused by an uninsured motor vehicle.

DEFINITIONS

(b) As used in (a) above, "bodily injury" shall include sickness or disease, including death, resulting therefrom; the term "insured" means the named insured and the spouse of the named insured and relatives of either while residents of the same household while occupants of a motor vehicle or otherwise, and any other person while in or upon or entering into or alighting from an insured motor vehicle; provided, the motor vehicle is used by the named insured or with his permission or consent, express or implied; the term "uninsured motor vehicle" means a motor vehicle with respect to the ownership, maintenance or use of which there is no bodily injury liability insurance or bond applicable at the time of the accident or a motor vehicle used without the permission of the owner thereof if there is no bodily injury liability insurance or bond applicable at the time of the accident with respect to the operator thereof, or there is such applicable insurance or bond but the company writing the same denies coverage thereunder, or the owner or operator thereof be unknown. The term "uninsured motor vehicle" shall not include an automobile owned by the named insured or any resident of his household or self-insured within the meaning of the safety responsibility law of the state in which the motor vehicle is registered or which is owned by the United States or Dominion of Canada, or any state or province or any agency or political subdivision of any of them, or a land motor vehicle or trailer operated on rails or crawler-treads or while located for use as a residence or premises and not as a vehicle.

EXEMPTIONS

(c) The insurance coverage provided for in this section does not apply:

(1) To property damage sustained by the insured.

(2) To bodily injury of the insured sustained while in or upon or while entering into or alighting from an automobile other than the described automobile if the owner thereof has insurance similar to that provided in this section.

(3) To bodily injury of the insured with respect to which such insured or his representative shall, without the written consent of the insurer, make any settlement with or prosecute to judgment any action against any person who may be legally liable therefor.

(4) In any instance where it would inure directly or indirectly to the benefit of any workmen's compensation carrier or to any person qualified as a self-insurer under any workmen's compensation law.

DETERMINATION OF LIABILITY AND AMOUNT OF DAMAGES.

(d) The policy or an endorsement added thereto shall provide that the determination as to whether the insured shall be legally entitled to recover damages, and if so entitled, the amount thereof, shall be made by agreement between the insured and the insurer or, in the event of disagreement, by arbitration. As used in (a) above, "limits" shall mean for purposes of this section a liability limit, on account of bodily injury sustained by one insured as a result of any one accident, or sustained by two or more persons in any one accident, consistent with the limits of liability referred to in the provisions concerning financial responsibility and security following accidents found in Division 7 (commencing with Section 16000) of the Vehicle Code.

SUBROGATION.

(e) An insurer paying a claim under an uninsured motorist endorsement or coverage shall be entitled to be subrogated to the rights of the insured to whom such claim was paid against the person causing such injury or death to the extent that payment was made.

REIMBURSEMENT OF INSURED

(f) An insured entitled to recovery under the uninsured motorist endorsement or coverage shall be reimbursed within the conditions stated herein without being required to sign any release or waiver of rights to which he may be entitled under any other insurance coverage applicable, nor shall payment under this section to such insured be delayed or made contingent upon the decisions as to liability or distribution of loss costs under other bodily injury liability insurance or any bond applicable to the accident.