

[Bulletin 13-01](#)

To: Property Casualty Insurers & Agents
From: Merle Scheiber, Director
Date: February 19, 2013
Re: Personal Umbrella Policy UM/UIM Coverage

It has come to the attention of the South Dakota Division of Insurance that UM/UIM coverage is not always included in personal umbrella policies. Umbrella policies are generally considered, by insureds, to provide additional protection above the amount included in the underlying coverage. Prospective insureds may not understand that their umbrella policy might not include UM/UIM and therefore disclosure is necessary.

For new personal umbrella business, an insurer, which provides neither uninsured motorist coverage, underinsured motorist coverage, or provides neither uninsured nor underinsured motorist coverage, shall prominently disclose to a named insured or applicant prior to policy issuance, that such coverage or coverages are not available under the policy. If the UM/UIM coverage is optional, prominent disclosure that UM/UIM will not be covered unless that specific option is chosen is required.

The disclosure document is not required to be filed for approval. No disclosure is required at renewal or times other than the initial application process.

Failure to provide this disclosure will be a violation of SDCL 58-33-5 and SDCL 58-33-6.