

## **Bulletin 89-2**

### **Automobile policies — supplemental coverages**

April, 1989

Rejection of supplemental coverages on automobile policies must be in writing. If there is written rejection of the supplemental coverages, a company may not offer and issue a policy with lesser payments or benefits or offer or issue a similar policy in lieu of the rejected coverage. Supplemental coverages on automobile policies must be in the minimum amount as set by statute. A policy that is offered and issued which is similar to medical payment or expense coverage will be considered medical expense coverage and must be primary.

The provisions of this bulletin are effective immediately.

Copy of statute enclosed.

Mary Jane Cleary  
Director of Insurance

#### **58-23-8. Accident, disability and medical benefits included in supplemental coverage.**

Supplemental insurance coverages shall as a minimum include:

(1) accidental death benefits of at least ten thousand dollars payable upon the loss of life of the named insured which shall result directly from and independently of all other causes from bodily injury, other than sickness or disease or death resulting therefrom, caused by accident sustained by the named insured while occupying an automobile, or entering or alighting therefrom, or through being struck by a motor vehicle while a pedestrian, if death occurs within ninety days of the accident;

(2) indemnity of at least sixty dollars per week for disability extending beyond fourteen days from the date of the accident for a period of at least fifty-two consecutive weeks during such period of time as the named insured is prevented from performing the usual duties of his regular occupation, by reason of injuries and disability accidentally sustained and arising while occupying an automobile, or entering, or a lighting therefrom, or through being struck by a motor vehicle while a pedestrian. If the injured named insured is a person not gainfully employed at the time of the accident, the supplemental insurance coverage may provide that the indemnity per week may be reduced fifty per cent. The disability benefits shall be paid in full without reduction because of any benefits available under any worker's compensation law or similar law or from any other source;

(3) indemnity to the named insured and to any other insured, irrespective of legal liability, for medical expenses in an aggregate amount of at least two thousand dollars for each such injured person, incurred within two years from the date of

the accident by reason of bodily injuries arising out of the use of the automobile described in the policy or through being struck by a motor vehicle while a pedestrian.