



Oklahoma INSURANCE Department
State of Oklahoma

BULLETIN NO. PC 2004-08

**TO: ALL PROPERTY AND CASUALTY INSURERS LICENSED IN OKLAHOMA
ALL RATING AND ADVISORY ORGANIZATIONS
ATTENTION: STATE FILING DIVISION**

FROM: OKLAHOMA INSURANCE DEPARTMENT

**RE: HB 2470 INCREASING THE FINANCIAL RESPONSIBILITY LIMITS OF
LIABILITY ARISING OUT OF THE OWNERSHIP, MAINTENANCE OR
USE OF A VEHICLE**

DATE: October 21, 2004

PURPOSE OF THIS BULLETIN

This bulletin is in response to inquiries by members of Oklahoma's insurance industry. The purpose of this bulletin is to remind insurers of a particular provision of Oklahoma's Motor Vehicle Code, as amended by House Bill 2470. Bulletin PC 2004-05 contains more details about the statutory changes and is available on the Oklahoma Insurance Department's web site.

The first question that has come to the attention of the Department is the correct procedure for new, renewal and outstanding policies applicable to the increased automotive liability requirements of HB 2470. Some insurers want to automatically increase all of their private passenger automotive policies including outstanding policies with 10/20/10 coverage to 25/50/25, regardless of the policy inception or renewal date. This activity is not allowed for the following reason:

Title 47, Section 7-204 contains amended language reflecting the increase in limits. Paragraph A(1) states that the minimum limits of 10/20/10 apply to policies or bonds issued or renewed before April 1, 2005. Paragraph A(2) states that the minimum limits for policies or bonds issued or renewed on or after April 1, 2005 shall be 25/50/25. Any policy with the minimum limits in effect prior to April 1, 2005 is not required to be increased at that date; the increase will only be necessary upon renewal following April 1, 2005. Also, Section 7-324, does not mention an effective date for an increase in policy limits. However, Section 7-324 is only the portion of the Motor Vehicle Code that defines the necessary automotive liability policy contents and provisions. Section 7-204, which is the application of the law to the Motor Vehicle Code, is the controlling statute.

The second question is in regards to the acceptable combined single limit. Although House Bill 2470 does not address combined single limits, any policy issued which has a combined single limit of \$75,000 per accident is sufficient for statutory compliance.

Questions applicable to this bulletin should be directed to kathiestepp@insurance.state.ok.us of the Property and Casualty Division, or robertnoll@insurance.state.ok.us of the Legal Division of the Oklahoma Insurance Department, P. O. Box 53408, Oklahoma City, OK 73152-3408.

The Oklahoma Insurance Department encourages readers of this bulletin to periodically check the Department's web site (www.oid.state.ok.us) for news and updates to Bulletins, Board Position Letters, Board meeting dates, and other relevant material.