

# RESOLUTION NO. 04-01

## ROLL CALL

VOTING	YES	NO
MAYOR DALE R. BARNEY <i>(votes only in case of tie)</i>		
MATTHEW D. BARBER <i>Councilmember</i>	X	
PAUL M. CHRISTENSEN <i>Councilmember</i>	X	
EVERETT KELEPOLO <i>Councilmember</i>	X	
SETH V. SORENSEN <i>Councilmember</i>	X	
CHRIS C. WADSWORTH <i>Councilmember</i>	X	

I MOVE this resolution be adopted: Councilmember Barber

I SECOND the foregoing motion: Councilmember Sorensen

## RESOLUTION 04-01

### A RESOLUTION REJECTING THE UNDERINSURED MOTORIST (UIM) COVERAGE

Pursuant to Utah Code Unannotated Section 31A-22-305(9)(g)(i) the undersigned, on behalf of Spanish Fork City formally rejects underinsured motorist coverage under the Utah Risk Management Mutual Association's Joint Protection Program.

URMMA's Board of Directors unanimously voted to reject underinsured motorist coverage. This signed rejection of underinsured motorist coverage will serve as compliance of Utah Code Unannotated Section 31A-22-305(9)(g)(ii).

Utah law requires that the Named Insured be offered underinsured motorist coverage with

policy limits equal to the lesser of (1) the bodily injury liability limits of your policy, or (2) the maximum limits available for your type of policy. However, underinsured motorist coverage cannot be lower than the minimum limits specified in Utah law, unless you reject the coverage entirely. By executing this document, your city formally rejects underinsured motorist coverage.

Underinsured motorist coverage generally pays for losses incurred by covered persons who are legally entitled to recover damages from bodily injury, sickness, disease, or death, caused by owners or operators of motor vehicles that have insufficient liability coverage to compensate fully the injured parties.

Pursuant to Utah Code Unannotated Section 31A-22-305(9)(g)(iii) the above rejection of underinsured motorist (UIM) coverage continues until your city, in writing, requests underinsured motorist coverage.

NOW, THEREFORE, be it resolved by the Spanish Fork City Council, as follows:

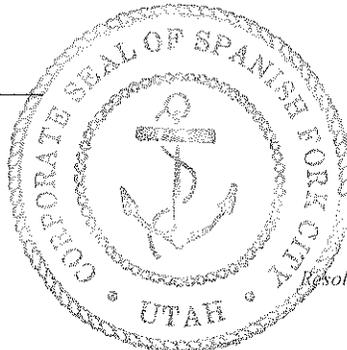
1. The Mayor of Spanish Fork City is hereby approved to execute the Rejection Of Underinsured Motorist (UIM) Coverage, as attached hereto.

DATED this 6th day of January, 2004.

  
\_\_\_\_\_  
DALE R. BARNEY, Mayor

ATTEST:

  
\_\_\_\_\_  
KENT R. CLARK, City Recorder





December 23, 2003

MEMO

To: URMMA Board Members

From: Dean Steel, CEO

Re: Underinsured Motorist Coverage

Utah State law UCA 31A-22-305 (9)(g)(ii) requires that a named insured (the City) be offered underinsured motorist coverage with specific policy limits not less than the minimum limits required by law unless the coverage is rejected. (See rejection of underinsured motorist coverage form attached.)

The URMMA Board of Directors unanimously voted to eliminate underinsured motorist coverage from the Joint Protection Program. They did so because if an eligible party had insurance coverage, the minimum limits provided by the URMMA policy provided no additional coverage. If the party had no insurance coverage, then a different policy for uninsured motorist coverage is applied. Therefore the underinsured policy is unnecessary.

In the spirit of compliance with the State Code, would you have your City Council also reject the underinsured motorist coverage and authorize the appropriate signature on the enclosed document.

We appreciate your prompt response to this request.

Sincerely,

A handwritten signature in black ink, appearing to read "Dean Steel", is written over a horizontal line.

Dean Steel  
CEO

