

House Engrossed

**FILED**

**JANICE K. BREWER  
SECRETARY OF STATE**

State of Arizona  
House of Representatives  
Forty-seventh Legislature  
Second Regular Session  
2006

**CHAPTER 107**

# **HOUSE BILL 2164**

AN ACT

AMENDING SECTION 12-555, ARIZONA REVISED STATUTES; RELATING TO LIMITATIONS OF ACTIONS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 12-555, Arizona Revised Statutes, is amended to  
3 read:

4 12-555. Uninsured and underinsured motorist coverage; claims;  
5 time limits

6 A. An insurer is not liable for uninsured ~~or underinsured~~ motorist  
7 coverage benefits unless the person making the claim gives WRITTEN notice to  
8 the insurer ~~in writing~~ of the person's intent to pursue the claim against the  
9 uninsured ~~or underinsured~~ motorist portion of a motor vehicle insurance  
10 policy within three years after the person ~~knows or should know that the~~  
11 ~~party that the person claims caused the harm does not have liability~~  
12 ~~insurance or has insufficient liability insurance to cover the person's~~  
13 ~~injuries~~ DATE OF THE ACCIDENT THAT CAUSED THE BODILY INJURY, EXCEPT THAT A  
14 PERSON MAY MAKE AN UNINSURED MOTORIST CLAIM WITHIN THREE YEARS AFTER THE  
15 EARLIEST OF THE FOLLOWING:

- 16 1. THE DATE THE PERSON KNEW THAT THE TORTFEASOR WAS UNINSURED.
- 17 2. THE DATE THE PERSON KNOWS OR SHOULD HAVE KNOWN THAT COVERAGE WAS  
18 DENIED BY THE TORTFEASOR'S INSURER.
- 19 3. THE DATE THE PERSON KNOWS OR SHOULD HAVE KNOWN OF THE INSOLVENCY OF  
20 THE TORTFEASOR'S INSURER.

21 B. AN INSURER IS NOT LIABLE FOR UNDERINSURED MOTORIST COVERAGE  
22 BENEFITS UNLESS THE PERSON MAKING THE CLAIM GIVES WRITTEN NOTICE TO THE  
23 INSURER OF THE PERSON'S INTENT TO PURSUE THE CLAIM AGAINST THE UNDERINSURED  
24 MOTORIST PORTION OF A MOTOR VEHICLE POLICY WITHIN THREE YEARS AFTER THE DATE  
25 OF THE ACCIDENT THAT CAUSED THE BODILY INJURY AND THE PERSON HAS MADE A CLAIM  
26 WITH THE TORTFEASOR'S INSURER OR FILED AN ACTION AGAINST THE TORTFEASOR  
27 WITHIN THE TIME LIMITS PRESCRIBED BY SECTION 12-542 OR WITHIN THE  
28 CORRESPONDING LIMITATION PERIOD PROVIDED UNDER THE LAW OF THE LOCATION WHERE  
29 THE ACCIDENT OCCURRED. NOTWITHSTANDING THIS SUBSECTION, A PERSON MAY MAKE AN  
30 UNDERINSURED MOTORIST CLAIM WITHIN THREE YEARS AFTER THE DATE THE PERSON  
31 KNOWS OR SHOULD HAVE KNOWN THAT THE TORTFEASOR HAS INSUFFICIENT LIABILITY  
32 INSURANCE TO COVER THE PERSON'S INJURIES.

33 C. IF SETTLEMENT OF AN UNINSURED OR UNDERINSURED MOTORIST CLAIM IS NOT  
34 REACHED:

- 35 1. THE INSURER SHALL PROVIDE WRITTEN NOTICE TO THE PERSON AT THE LAST  
36 KNOWN ADDRESS ON RECORD WITH THE INSURER BY FIRST CLASS MAIL, WITHIN TWO  
37 YEARS AFTER RECEIVING THE WRITTEN NOTICE PRESCRIBED IN SUBSECTION A OR B OF  
38 THIS SECTION, THAT THE PERSON MUST REQUEST ARBITRATION OR FILE SUIT PURSUANT  
39 TO THE TERMS OF THE INSURANCE CONTRACT WITHIN THREE YEARS AFTER PROVIDING THE  
40 WRITTEN NOTICE PRESCRIBED IN SUBSECTION A OR B OF THIS SECTION OR THE INSURER  
41 IS NOT LIABLE FOR UNINSURED MOTORIST COVERAGE BENEFITS OR UNDERINSURED  
42 MOTORIST COVERAGE BENEFITS.

1           2. A PERSON SHALL REQUEST ARBITRATION OR FILE SUIT PURSUANT TO THE  
2 TERMS OF THE INSURANCE CONTRACT WITHIN THREE YEARS AFTER PROVIDING THE  
3 WRITTEN NOTICE PRESCRIBED IN SUBSECTION A OR B OF THIS SECTION. IF THE  
4 PERSON DOES NOT COMPLY WITH THIS PARAGRAPH, THE INSURER IS NOT LIABLE FOR  
5 UNINSURED MOTORIST COVERAGE BENEFITS OR UNDERINSURED MOTORIST COVERAGE  
6 BENEFITS.

7           ~~B.~~ D. An insurer shall bring an action for subrogation and  
8 reimbursement pursuant to section 20-259.01 within two years after the date  
9 the insurer first makes payment to the insured under the uninsured motorist  
10 coverage.

11           Sec. 2. Application

12           Section 12-555, Arizona Revised Statutes, as amended by this act,  
13 applies only to losses that occur on or after the effective date of this act.

APPROVED BY THE GOVERNOR APRIL 12, 2006.

FILED IN THE OFFICE OF THE SECRETARY OF STATE APRIL 12, 2006.

