

**RESOLUTION 12-01-06**

**DIGEST**

Automobile Insurance: Minimum Liability

Amends Vehicle Code section 16056 to increase the minimum automobile insurance limits.

**RESOLUTIONS COMMITTEE RECOMMENDATION**

APPROVE IN PRINCIPLE

History:

Similar to Resolution 6-14-03, which was approved.

Reasons:

This resolution amends Vehicle Code section 16056 to increase the minimum automobile insurance limits. This resolution should be approved in principle because current minimal limits are insufficient and outdated.

Since 1974, automobile insurance policy limits in California have remained the same. This resolution would increase minimum automobile liability insurance coverage for property damage from \$5,000 to \$20,000, for bodily injury or the death of one person from \$15,000 to \$50,000, and for bodily injury or death of two or more persons from \$30,000 to not less than \$100,000. These increased limits will improve the likelihood that those injured in auto accidents will be made whole. Automobiles, automobile repair costs and the cost of medical care have exponentially increased since these limits were established and the proposed increase would assure that the general public is adequately protected from the harm inherent in automobile accidents.

**TEXT OF RESOLUTION**

RESOLVED, that the Conference of Delegates of California Bar Associations recommends that legislation be sponsored to amend Vehicle Code Section 16056 to read as follows:

1 §16056  
2 (a) No policy or bond shall be effective under Section 16054 unless issued by an  
3 insurance company or surety company admitted to do business in this state by the Insurance  
4 Commissioner, except as provided in subdivision (b) of this section, nor unless the policy or  
5 bond is subject, if the accident has resulted in bodily injury or death, to a limit, exclusive of  
6 interest and costs, of not less than ~~fifteen thousand dollars; (\$15,000)~~ seventy-five thousand  
7 dollars (\$75,000) because of bodily injury to or death of one person in any one accident and,  
8 subject to that limit for one person, to a limit of not less than ~~thirty thousand dollars (\$30,000)~~  
9 one hundred fifty thousand dollars (\$150,000) because of bodily injury to or death of two or  
10 more persons in any one accident, and, if the accident has resulted in injury to, or destruction of  
11 property, to a limit of not less than ~~five thousand dollars (\$5,000)~~ twenty-five thousand dollars  
12 (\$25,000) because of injury to or destruction of property of others in any one accident.

(Proposed new language underlined; language to be deleted stricken)

PROPONENT: Bar Association of San Francisco

#### STATEMENT OF REASONS

Existing Law: The minimum automobile liability insurance coverage amounts were set in 1974 and have not been adjusted since.

This Resolution: Would increase minimum liability insurance to amounts that more accurately reflect the costs to those involved in motor vehicle accidents.

The Problem: The cost of automobiles and automobile repair has increased ten-fold and medical costs have increased exponentially since this statute was enacted in 1974. The burden of inadequate compensation in injury cases hurts the poor more than anyone else. This amendment reflects a modest increase in coverage, and is long overdue.

In accordance with CDCBA rules, BASF timely offers this resolution for consideration. Consistent with traditional CDCBA practice, the Proponent reserves the right to timely withdraw or amend the resolution.

#### IMPACT STATEMENT

This resolution will not affect any other statute, law or rule.

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