

FEB 21 1996
COMMERCE AND REGULATION

HOUSE FILE 2281
BY HEATON

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act prohibiting an insurance company from considering certain
2 accidents for the purpose of establishing motor vehicle
3 insurance rates.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

HF 2281

1 Section 1. NEW SECTION. 516B.4 CERTAIN ACCIDENTS NOT
2 CONSIDERED IN ESTABLISHING RATES.

3 The commissioner shall prohibit insurance companies
4 transacting business in this state from considering an
5 accident involving an insured of the insurance company if any
6 other party to the accident is determined to bear a greater
7 percentage of fault than the company's insured, with regard to
8 the cause of such accident, for the purpose of establishing
9 rates applicable to the insured for a policy of motor vehicle
10 insurance. The commissioner shall also prohibit insurance
11 companies from canceling or refusing to renew any such policy
12 on account of such an accident.

13 EXPLANATION

14 This bill requires the insurance commissioner to prohibit
15 insurers transacting business in this state from considering
16 an accident involving an insured of the insurance company
17 where the other party is determined to bear a greater
18 percentage of fault than the company's insured, with regard to
19 the cause of the accident, for the purpose of establishing
20 policy rates for motor vehicle insurance charged by the
21 insurer. The bill also provides that an insurer shall not
22 cancel or refuse to renew a policy as a result of the
23 occurrence of such an accident.

24
25
26
27
28
29
30
31
32
33
34
35