

FEB 12 1997

COMMERCE AND REGULATION

HOUSE FILE 215
BY HEATON

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

A BILL FOR

1 An Act requiring that an insurance company not consider 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:

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HF 215

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

3 The commissioner shall require that insurance companies
4 transacting business in this state not consider an accident
5 involving an insured of the insurance company if any other
6 party to the accident is determined to be uninsured or
7 underinsured and to bear a greater percentage of fault than
8 the company's insured, with regard to the cause of such
9 accident, for the purpose of establishing rates applicable to
10 the insured for a policy of motor vehicle insurance. The
11 commissioner shall also prohibit insurance companies from
12 canceling or refusing to renew any such policy on account of
13 such an accident.

14 EXPLANATION

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

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