

JAN 13 1999
COMMERCE AND REGULATION

HOUSE FILE 64
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:

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

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 insurance company's insured, with regard to the cause of
9 such accident, for the purpose of establishing rates
10 applicable to the insured for a policy of motor vehicle
11 insurance. The commissioner shall also prohibit insurance
12 companies from canceling or refusing to renew any such policy
13 on account of such an accident.

14 EXPLANATION

15 This bill creates new Code section 516B.4 and requires the
16 insurance commissioner to prohibit insurers transacting
17 business in this state from considering an accident involving
18 an insured of the insurance company where any other party is
19 determined to be uninsured or underinsured and to bear a
20 greater percentage of fault than the insurance company's
21 insured, with regard to the cause of the accident, for the
22 purpose of establishing policy rates for motor vehicle
23 insurance charged by the insurer with respect to such insured.
24 The bill also provides that an insurer shall not cancel or
25 refuse to renew a policy as a result of the occurrence of such
26 an accident.

27
28
29
30
31
32
33
34
35