

Senate Study Bill 3246

SENATE FILE _____
BY (PROPOSED COMMITTEE ON
TRANSPORTATION BILL BY
CHAIRPERSON RIELLY)

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

A BILL FOR

1 An Act modifying uninsured and underinsured motor vehicle
2 liability coverage requirements.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
4 TLSB 5853SC 82
5 av/nh/5

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1 1 Section 1. Section 516A.1, Code 2007, is amended to read
1 2 as follows:
1 3 516A.1 COVERAGE INCLUDED IN EVERY LIABILITY POLICY ==
1 4 REJECTION BY INSURED.
1 5 No automobile liability or motor vehicle liability
1 6 insurance policy insuring against liability for bodily injury
1 7 or death arising out of the ownership, maintenance, or use of
1 8 a motor vehicle shall be delivered or issued for delivery in
1 9 this state with respect to any motor vehicle registered or
1 10 principally garaged in this state, unless coverage is provided
1 11 in such policy or supplemental thereto, for the protection of
1 12 persons insured under such policy who are legally entitled to
1 13 recover damages from the owner or operator of an uninsured
1 14 motor vehicle or a hit-and-run motor vehicle or an
1 15 underinsured motor vehicle because of bodily injury, sickness,
1 16 or disease, including death resulting therefrom, caused by
1 17 accident and arising out of the ownership, maintenance, or use
1 18 of such uninsured or underinsured motor vehicle, or arising
1 19 out of physical contact of such hit-and-run motor vehicle with
1 20 the person insured or with a motor vehicle which the person
1 21 insured is occupying at the time of the accident. Both the
1 22 uninsured motor vehicle or hit-and-run motor vehicle coverage,
1 23 and the underinsured motor vehicle coverage shall include
1 24 limits for bodily injury or death at least equal to those
1 25 stated in section 321A.1, subsection 11 of the bodily injury
1 26 or death coverage of the insurance policy. However, neither
1 27 the uninsured motor vehicle or hit-and-run motor vehicle
1 28 coverage nor the underinsured motor vehicle coverage is
1 29 required to exceed five hundred thousand dollars. The form
1 30 and provisions of such coverage shall be examined and approved
1 31 by the commissioner of insurance.
1 32 However, the named insured may reject all of such coverage,
1 33 but not only the specific dollar amount of the coverage, or
1 34 reject the uninsured motor vehicle (hit-and-run motor vehicle)
1 35 coverage, or reject the underinsured motor vehicle coverage,
2 1 by written rejections signed by the named insured. If
2 2 rejection is made on a form or document furnished by an
2 3 insurance company or insurance producer, it shall be on a
2 4 separate sheet of paper which contains only the rejection and
2 5 information directly related to it. Such coverage need not be
2 6 provided in or supplemental to a renewal policy if the named
2 7 insured has rejected the coverage in connection with a policy
2 8 previously issued to the named insured by the same insurer.

EXPLANATION

2 10 This bill relates to uninsured or hit-and-run and
2 11 underinsured motor vehicle liability insurance coverage
2 12 requirements. The bill provides that limits in insurance
2 13 policies for such coverage must equal those of the bodily
2 14 injury or death coverage of the policy, up to an amount of
2 15 \$500,000 for each coverage. Currently, uninsured or
2 16 hit-and-run and underinsured coverage limits are required only
2 17 in the amount required to show proof of financial
2 18 responsibility, which is \$15,000 for the bodily injury or

2 19 death of one person and \$40,000 for the bodily injury or death
2 20 of two or more persons.
2 21 The bill also allows an insured to reject all uninsured or
2 22 hit-and-run and underinsured coverage, but not only the
2 23 specific dollar amount of the coverage.
2 24 LSB 5853SC 82
2 25 av/nh/5