

Senate File 2043 - Introduced

SENATE FILE 2043
BY OLIVE

A BILL FOR

1 An Act relating to uninsured and underinsured motor vehicle
2 insurance coverage.

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

1 Section 1. Section 516A.2, Code 2009, is amended by adding
2 the following new subsections:

3 NEW SUBSECTION. 4. A policy to which this chapter applies
4 shall not include any type of step-down provision that operates
5 to reduce uninsured or underinsured motor vehicle coverage for
6 the reason that the person is injured by, or while occupying
7 a vehicle being operated by, a relative as defined in section
8 523I.102, or household member insured under the policy. This
9 chapter shall not be construed to prohibit an insurer from
10 including in the policy an antistacking provision based on
11 multiple policies or multiple vehicles, or both. If multiple
12 policies are applicable to a vehicle subject to an antistacking
13 provision, the maximum amount of recovery shall be the single
14 highest limit for that vehicle on any of the applicable
15 policies.

16 NEW SUBSECTION. 5. An insurer offering uninsured and
17 underinsured motor vehicle coverage as part of a coverage
18 proposal for motor vehicle insurance shall make available the
19 same limits of coverage that the insurer offers for bodily
20 injury liability coverage. However, the purchaser of the
21 uninsured and underinsured motor vehicle coverage is not
22 required to purchase those same limits of coverage.

23 EXPLANATION

24 This bill relates to uninsured and underinsured motor
25 vehicle insurance coverage.

26 Code section 516A.2 is amended to prohibit step-down
27 provisions in motor vehicle insurance policies that operate to
28 reduce uninsured or underinsured motor vehicle coverage because
29 a person is injured by, or while occupying a vehicle being
30 operated by, a relative as defined in Code section 523I.102 or
31 household member insured under the policy. The Code chapter
32 shall not be construed to prohibit an insurer from applying an
33 antistacking provision based on multiple policies or vehicles,
34 or both. If multiple policies are applicable to a vehicle
35 subject to the provision, the maximum amount of recovery is the

1 single highest limit for that vehicle on any of the applicable
2 policies.

3 The bill also requires an insurer offering uninsured and
4 underinsured coverage as part of a coverage proposal for motor
5 vehicle insurance to make available the same limits of coverage
6 that the insurer offers for bodily injury liability coverage.
7 The purchaser of such coverage, however, is not required to
8 purchase those same limits of coverage.