

Senate File 2346 - Reprinted

SENATE FILE 2346
BY COMMITTEE ON COMMERCE

(SUCCESSOR TO SSB 3102)

(As Amended and Passed by the Senate February 24, 2010)

A BILL FOR

1 An Act relating to certain coverage provisions contained in
2 uninsured and underinsured motor vehicle insurance coverage.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 516A.2, subsection 3, Code 2009, is
2 amended by striking the subsection and inserting in lieu
3 thereof the following:

4 3. A policy to which this chapter applies shall not include
5 any type of provision that operates to reduce or eliminate
6 uninsured or underinsured motor vehicle coverage for the reason
7 that the person is injured due to the fault of a relative who is
8 a household member insured under the policy, unless the insurer
9 also makes available a policy with limits of uninsured or
10 underinsured motor vehicle coverage that are not subject to a
11 provision as described above. An insurer shall provide notice
12 directly to the named insured under a policy containing such a
13 provision that explains that the policy contains no coverage or
14 reduced coverage for injuries if a person is injured due to the
15 fault of a relative who is a household member insured under the
16 policy, and that informs the insured that coverage is available
17 which is not subject to such a provision. Such notice shall be
18 provided to the insured at the time of issuance of the policy
19 and at least annually thereafter.

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

22 NEW SUBSECTION. 4. An insurer providing uninsured and
23 underinsured motor vehicle coverage shall make available
24 the same limits of coverage that the insured purchased for
25 bodily injury liability coverage. However, the purchaser of
26 the uninsured and underinsured motor vehicle coverage is not
27 required to purchase those same limits of coverage.

28 NEW SUBSECTION. 5. This chapter shall not be construed
29 to prohibit an insurer from including in the policy an
30 antistacking provision based on multiple policies or multiple
31 vehicles, or both. If multiple policies are applicable to an
32 injured person, the injured person shall be entitled to recover
33 pursuant to the terms of the policies, but the available amount
34 of coverage shall not be more than the single highest limit of
35 any of the applicable policies.