

CHAPTER 516A

UNINSURED, UNDERINSURED, OR HIT-AND-RUN MOTORISTS

Referred to in [§87.4](#), [296.7](#), [321N.4](#), [331.301](#), [364.4](#), [505.28](#), [505.29](#), [515B.9](#), [669.14](#), [670.7](#)

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516A.1 Coverage included in every liability policy — rejection by insured.

1. No automobile liability or motor vehicle liability insurance policy insuring against liability for bodily injury or death arising out of the ownership, maintenance, or use of a motor vehicle shall be delivered or issued for delivery in this state with respect to any motor vehicle registered or principally garaged in this state, unless coverage is provided in such policy or supplemental thereto, for the protection of persons insured under such policy who are legally entitled to recover damages from the owner or operator of an uninsured motor vehicle or a hit-and-run motor vehicle or an underinsured motor vehicle because of bodily injury, sickness, or disease, including death resulting therefrom, caused by accident and arising out of the ownership, maintenance, or use of such uninsured or underinsured motor vehicle, or arising out of physical contact of such hit-and-run motor vehicle with the person insured or with a motor vehicle which the person insured is occupying at the time of the accident. Both the uninsured motor vehicle or hit-and-run motor vehicle coverage, and the underinsured motor vehicle coverage shall include limits for bodily injury or death at least equal to those stated in [section 321A.1, subsection 11](#). The form and provisions of such coverage shall be examined and approved by the commissioner of insurance.

2. However, the named insured may reject all of such coverage, or reject the uninsured motor vehicle (hit-and-run motor vehicle) coverage, or reject the underinsured motor vehicle coverage, by written rejections signed by the named insured. If rejection is made on a form or document furnished by an insurance company or insurance producer, it shall be on a separate sheet of paper which contains only the rejection and information directly related to it. Such coverage need not be provided in or supplemental to a renewal policy if the named insured has rejected the coverage in connection with a policy previously issued to the named insured by the same insurer.

[C71, 73, 75, 77, 79, 81, §516A.1]

[83 Acts, ch 101, §108](#); [90 Acts, ch 1233, §33](#); [2001 Acts, ch 16, §10, 37](#); [2021 Acts, ch 76, §150](#)

Referred to in [§516A.2](#), [516A.5](#)

516A.2 Construction — minimum coverage — stacking.

1. *a.* Except with respect to a policy containing both underinsured motor vehicle coverage and uninsured or hit-and-run motor vehicle coverage, nothing contained in [this chapter](#) shall be construed as requiring forms of coverage provided pursuant hereto, whether alone or in combination with similar coverage afforded under other automobile liability or motor vehicle liability policies, to afford limits in excess of those that would be afforded had the insured thereunder been involved in an accident with a motorist who was insured under a policy of liability insurance with the minimum limits for bodily injury or death prescribed in [section 321A.1, subsection 11](#). Such forms of coverage may include terms, exclusions, limitations, conditions, and offsets which are designed to avoid duplication of insurance or other benefits.

b. To the extent that *Hernandez v. Farmers Insurance Company*, 460 N.W.2d 842 (Iowa 1990), provided for interpolicy stacking of uninsured or underinsured coverages in contravention of specific contract or policy language, the general assembly declares such decision abrogated and declares that the enforcement of the antistacking provisions contained in a motor vehicle insurance policy does not frustrate the protection given to an insured under [section 516A.1](#).

2. Pursuant to [chapter 17A](#), the commissioner of insurance shall, by January 1, 1992, adopt rules to assure the availability, within the state, of motor vehicle insurance policies, riders,

endorsements, or other similar forms of coverage, the terms of which shall provide for the stacking of uninsured and underinsured coverages with any similar coverage which may be available to an insured.

3. It is the intent of the general assembly that when more than one motor vehicle insurance policy is purchased by or on behalf of an injured insured and which provides uninsured, underinsured, or hit-and-run motor vehicle coverage to an insured injured in an accident, the injured insured is entitled to recover up to an amount equal to the highest single limit for uninsured, underinsured, or hit-and-run motor vehicle coverage under any one of the above described motor vehicle insurance policies insuring the injured person which amount shall be paid by the insurers according to any priority of coverage provisions contained in the policies insuring the injured person.

[C71, 73, 75, 77, 79, 81, §516A.2]

91 Acts, ch 213, §30; 2012 Acts, ch 1023, §157

516A.3 Effect of insolvency.

1. For the purpose of [this chapter](#), the term “*uninsured motor vehicle*” shall, subject to the terms and conditions of the coverage required in [this chapter](#), be deemed to include an insured motor vehicle with respect to which insolvency proceedings have been instituted against the liability insurer thereof by the insurance regulatory official of this or any other state or territory of the United States or of the District of Columbia.

2. An insurer’s insolvency protection is applicable only to accidents occurring during a policy period in which its insured’s uninsured motorist coverage is in effect and only if the liability insurer of the tortfeasor is insolvent at the time of such an accident or becomes insolvent after the accident.

[C71, 73, 75, 77, 79, 81, §516A.3]

91 Acts, ch 26, §46; 92 Acts, ch 1162, §46; 2021 Acts, ch 76, §150; 2022 Acts, ch 1021, §153

Subsection 1 amended

516A.4 Insurer making payment — reimbursement.

In the event of payment to any person under the coverage required by [this chapter](#) and subject to the terms and conditions of such coverage, the insurer making such payment shall, to the extent thereof, be entitled to the proceeds of any settlement or judgment resulting from the exercise of any rights of recovery of such person against any person or organization legally responsible for the bodily injury for which such payment is made, including the proceeds recoverable from the assets of the insolvent insurer. The person to whom said payment is made under the insolvency protection required by [this chapter](#) shall to the extent thereof, be deemed to have waived any right to proceed to enforce such a judgment against the assets of the judgment debtor who was insured by the insolvent insurer whose insolvency resulted in said payment being made, other than assets recovered or recoverable by such judgment debtor from such insolvent insurer.

[C71, 73, 75, 77, 79, 81, §516A.4]

516A.5 Tolling of statute.

Commencement of an action by an insured under a provision included in an automobile liability or motor vehicle liability insurance policy pursuant to [section 516A.1](#) tolls the statute of limitations for purposes of the insurer’s subrogated cause of action against a party, as defined in [section 668.2](#). [Section 668.8](#) is also applicable to an action commenced as described in [this section](#).

98 Acts, ch 1057, §12