

# SENATE APPROPRIATIONS COMMITTEE FISCAL NOTE

**BILL NO.** Senate Bill 676

**PRINTER NO.** 747

**AMOUNT**

No Fiscal Impact

**FUND**

Insurance Regulation and Oversight Fund

**DATE INTRODUCED**

May 11, 2021

**PRIME SPONSOR**

Senator Pittman

**DESCRIPTION**

Senate Bill 676 amends Title 75 (Vehicles) to allow insured individuals to purchase a preferred amount of Uninsured Motorist or Underinsured Motorist (UM/UIM) coverage and make the “stacking of uninsured and underinsured benefits” coverage obsolete.

This legislation amends the following sections in Chapter 17 of Title 75:

**Section 1734** (relating to request for different limits of coverage)

- Requires a named insurer to be conclusively presumed to have UM/UIM coverage in the same amount as the bodily injury liability in the policy unless another amount is elected in accordance with this chapter.

**Section 1736** (relating to coverages in excess of required amounts)

- Updates the coverages to be offered by insurers in amounts higher than those required and provides that coverages may be greater than the limits of liability specified in the bodily injury liability provisions of the insured’s policy.

**Section 1738** (relating to stacking of uninsured and underinsured benefits prohibited)

- Stipulates that regardless of the number of policies issued, vehicles or premiums shown on a policy, premiums paid, persons covered, vehicles involved in an accident, claims made or lawsuits filed, in no event shall the liability limit for UM/UIM coverage for two or more motor vehicles covered under the same or separate policies be added together to determine the liability.
- Directs the priority of recovery under Section 1733 (relating to priority of recovery) to apply if a person is insured, uninsured or underinsured and is an occupant in a noncovered vehicle in the policy. The maximum amount payable shall be the single highest limit on any one vehicle for which the injured person is a named insured or resident relative under the policy.
- Requires the UM/UIM coverage afforded by the policy covering the vehicle occupied at the time of the accident shall be the only UM/UIM coverage available if a person is an occupant of a vehicle under the policy.

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- Asserts the UM/UIM coverage shall be the single highest limit on any one vehicle for which the injured person is a named insured or insured under the policy if a person insured is injured as a pedestrian in a motor vehicle accident.
- Makes necessary related repeals.

### **Section 1791** (relating to notice of available benefits and limits)

- Increases the amount for uninsured and underinsured liability coverage up to at least \$300,000 because of injury to one person in any one accident and up to at least \$900,000 because of injury to two or more persons in any one accident or, at the option of the insurer, up to at least \$900,000 in a single limit for these coverages, except for policies issued under the Assigned Risk Plan.

### **Section 1792** (relating to availability of uninsured, underinsured, bodily injury liability and property damage coverages and mandatory deductibles)

- Clarifies an insurer issuing a policy of bodily injury coverage under this chapter shall make available for purchase higher limits of uninsured and underinsured liability coverages up to at least \$300,000 because of injury to one person in any one accident and up to \$900,000 because of injury to two or more persons in any one accident or, at the option of the insurers, up to at least \$900,000 in a single limit for these coverages.

This act shall take effect in 180 days.

### **FISCAL IMPACT:**

Enactment of this legislation will have no fiscal impact on Commonwealth funds. This legislation simplifies how a consumer purchases UM/UIM liability coverage and provides for higher limits of UM/UIM liability coverage that an insured can purchase.