

SENATE BILL No. 617

DIGEST OF INTRODUCED BILL

Citations Affected: IC 27-7-5-2.

Synopsis: Uninsured and underinsured motorists. Limits the requirement of making underinsured motorist coverage available in an automobile liability or a motor vehicle liability policy of insurance issued by a subsidiary or an affiliate of the originally issuing insurer. Indicates that a named insured on an automobile or a motor vehicle liability policy may reject uninsured and underinsured motorist coverage on behalf of all other named insured and permissive operators.

Effective: July 1, 1999.

Rogers, Meeks R

January 21, 1999, read first time and referred to Committee on Insurance and Financial Institutions.

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First Regular Session 111th General Assembly (1999)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 1998 General Assembly.

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SENATE BILL No. 617



A BILL FOR AN ACT to amend the Indiana Code concerning insurance.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 27-7-5-2 IS AMENDED TO READ AS FOLLOWS
2 [EFFECTIVE JULY 1, 1999]: Sec. 2. (a) The insurer shall make
3 available, in each automobile liability or motor vehicle liability policy
4 of insurance which is delivered or issued for delivery in this state with
5 respect to any motor vehicle registered or principally garaged in this
6 state, insuring against loss resulting from liability imposed by law for
7 bodily injury or death suffered by any person and for injury to or
8 destruction of property to others arising from the ownership,
9 maintenance, or use of a motor vehicle, or in a supplement to such a
10 policy, the following types of coverage:
11 (1) in limits for bodily injury or death and for injury to or
12 destruction of property not less than those set forth in IC 9-25-4-5
13 under policy provisions approved by the commissioner of
14 insurance, for the protection of persons insured under the policy
15 who are legally entitled to recover damages from owners or
16 operators of uninsured or underinsured motor vehicles because of
17 bodily injury, sickness or disease, including death, and for the



1 protection of persons insured under the policy who are legally
 2 entitled to recover damages from owners or operators of
 3 uninsured motor vehicles for injury to or destruction of property
 4 resulting therefrom; or

5 (2) in limits for bodily injury or death not less than those set forth
 6 in IC 9-25-4-5 under policy provisions approved by the
 7 commissioner of insurance, for the protection of persons insured
 8 under the policy provisions who are legally entitled to recover
 9 damages from owners or operators of uninsured or underinsured
 10 motor vehicles because of bodily injury, sickness or disease,
 11 including death resulting therefrom.

12 The uninsured and underinsured motorist coverages must be provided
 13 by insurers for either a single premium or for separate premiums, in
 14 limits at least equal to the limits of liability specified in the bodily
 15 injury liability provisions of an insured's policy, unless such coverages
 16 have been rejected in writing by the insured. However, underinsured
 17 motorist coverage must be made available in limits of not less than fifty
 18 thousand dollars (\$50,000). At the insurer's option, the bodily injury
 19 liability provisions of the insured's policy may be required to be equal
 20 to the insured's underinsured motorist coverage. Insurers may not sell
 21 or provide underinsured motorist coverage in an amount less than fifty
 22 thousand dollars (\$50,000). Insurers must make underinsured motorist
 23 coverage available to all existing policyholders on the date of the first
 24 renewal of existing policies that occurs on or after January 1, 1995, and
 25 on any policies newly issued or delivered on or after January 1, 1995,
 26 **unless such policies are issued by a subsidiary or an affiliate of the**
 27 **originally issuing company.** Uninsured motorist coverage or
 28 underinsured motorist coverage may be offered by an insurer in an
 29 amount exceeding the limits of liability specified in the bodily injury
 30 and property damage liability provisions of the insured's policy.

31 (b) ~~The~~ **Any** named insured of an automobile or motor vehicle
 32 liability policy has the right, **on behalf of all other named insureds**
 33 **and all other insureds**, in writing, to:

34 (1) reject both the uninsured motorist coverage and the
 35 underinsured motorist coverage provided for in this section; or

36 (2) reject either the uninsured motorist coverage alone or the
 37 underinsured motorist coverage alone, if the insurer provides the
 38 coverage not rejected separately from the coverage rejected.

39 No insured may have uninsured motorist property damage liability
 40 insurance coverage under this section unless the insured also has
 41 uninsured motorist bodily injury liability insurance coverage under this
 42 section. Following rejection of either or both uninsured motorist

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1 coverage or underinsured motorist coverage, unless later requested in
2 writing, the insurer need not offer uninsured motorist coverage or
3 underinsured motorist coverage in or supplemental to a renewal policy
4 in connection with a policy previously issued to the same insured.
5 Renewals of policies issued or delivered in this state which have
6 undergone interim policy endorsement or amendment do not constitute
7 newly issued or delivered policies for which the insurer is required to
8 provide the coverages described in this section.

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