
HOUSE BILL No. 1031

DIGEST OF INTRODUCED BILL

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

Synopsis: Uninsured and underinsured motorist coverage. Exempts coverage for certain motor vehicles used for business purposes in connection with a commercial policy of property and casualty insurance from the law requiring an insurer to make available uninsured and underinsured motorist coverage.

Effective: July 1, 2011.

Lehman

January 5, 2011, read first time and referred to Committee on Insurance.

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First Regular Session 117th General Assembly (2011)

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 2010 Regular Session of the General Assembly.

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HOUSE BILL No. 1031



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, AS AMENDED BY P.L.124-2009,
2 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2011]: Sec. 2. (a) Except as provided in ~~subsection~~
4 **subsections (d) and (f)**, the insurer shall make available, in each
5 automobile liability or motor vehicle liability policy of insurance which
6 is delivered or issued for delivery in this state with respect to any motor
7 vehicle registered or principally garaged in this state, insuring against
8 loss resulting from liability imposed by law for bodily injury or death
9 suffered by any person and for injury to or destruction of property to
10 others arising from the ownership, maintenance, or use of a motor
11 vehicle, or in a supplement to such a policy, the following types of
12 coverage:
13 (1) in limits for bodily injury or death and for injury to or
14 destruction of property not less than those set forth in IC 9-25-4-5
15 under policy provisions approved by the commissioner of
16 insurance, for the protection of persons insured under the policy
17 who are legally entitled to recover damages from owners or



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

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

32 (b) A named insured of an automobile or motor vehicle liability
 33 policy has the right, 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 A rejection of coverage under this subsection by a named insured is a
 40 rejection on behalf of all other named insureds, all other insureds, and
 41 all other persons entitled to coverage under the policy. No insured may
 42 have uninsured motorist property damage liability insurance coverage

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1 under this section unless the insured also has uninsured motorist bodily
 2 injury liability insurance coverage under this section. Following
 3 rejection of either or both uninsured motorist coverage or underinsured
 4 motorist coverage, unless later requested in writing, the insurer need
 5 not offer uninsured motorist coverage or underinsured motorist
 6 coverage in or supplemental to a renewal or replacement policy issued
 7 to the same insured by the same insurer or a subsidiary or an affiliate
 8 of the originally issuing insurer. Renewals of policies issued or
 9 delivered in this state which have undergone interim policy
 10 endorsement or amendment do not constitute newly issued or delivered
 11 policies for which the insurer is required to provide the coverages
 12 described in this section.

13 (c) A rejection under subsection (b) must specify:

14 (1) that the named insured is rejecting:

15 (A) the uninsured motorist coverage;

16 (B) the underinsured motorist coverage; or

17 (C) both the uninsured motorist coverage and the underinsured
 18 motorist coverage;

19 that would otherwise be provided under the policy; and

20 (2) the date on which the rejection is effective.

21 (d) An insurer is not required to make available the coverage
 22 described in subsection (a) in a commercial umbrella or excess liability
 23 policy, including a commercial umbrella or excess liability policy that
 24 is issued or delivered to a motor carrier (as defined in IC 8-2.1-17-10)
 25 that is in compliance with the minimum levels of financial
 26 responsibility set forth in 49 CFR Part 387.

27 (e) A rejection under subsection (b) of uninsured motorist coverage
 28 or underinsured motorist coverage in an underlying commercial policy
 29 of insurance is also a rejection of uninsured motorist coverage or
 30 underinsured motorist coverage in a commercial umbrella or excess
 31 liability policy.

32 **(f) An insurer is not required to make available the coverage**
 33 **described in subsection (a) in connection with coverage that:**

34 **(1) is related to or included in a commercial policy of property**
 35 **and casualty insurance described in Class 2 or Class 3 of**
 36 **IC 27-1-5-1; and**

37 **(2) covers a loss related to a motor vehicle that:**

38 **(A) is not owned by the insured; and**

39 **(B) is used by the insured or an employee of the insured for**
 40 **the business purposes of the insured.**

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