



OFFICE OF CHAIRMAN PHIL MENDELSON
COUNCIL OF THE DISTRICT OF COLUMBIA

Statement of Introduction

“Motor Vehicle Insurance Modernization Amendment Act of 2024”

Today I am introducing the Motor Vehicle Insurance Modernization Amendment Act of 2024. This bill modernizes the District’s automobile insurance statute to provide adequate minimum insurance coverage on all vehicles registered in the District. Our current statute is almost 40 years old -- being last updated in March 1986.

Insurance coverage on vehicles is used to cover harms caused in a motor vehicle accident. Since 1986, the cost of all these harms has greatly increased, while the mandatory minimum for insurance coverage has not kept pace. In a vehicle collision, a person may be injured and might need medical care, time off work to recover, and more. All the components of this recovery cost much more today than in 1986 yet the same \$25,000/\$50,000 minimum insurance policy will apply. In 1986, this minimum coverage was adequate to cover the injury and damage caused in most vehicle accidents; however, the present value of \$25,000 from 1986 is \$70,483 in December 2023 (Bureau of Labor Statistics) and the present value for medical care is over \$117,000. This minimum coverage is not keeping pace with consumer price index (CPI) nor the actual cost of medical services.

Our neighboring jurisdictions are leading the District on this issue. The Maryland General Assembly updated their minimum insurance statute over a decade ago, in 2011, to the minimum limits of \$30,000/\$60,000 and this amount is quickly becoming outpaced by the cost of inflation. In the 2021 session, the Virginia General Assembly passed legislation to raise their minimum insurance to \$30,000/\$60,000 as of January 1, 2022, with an automatic escalator to \$50,000/\$100,000 (the same amount contemplated in the attached legislation) on January 1, 2025. In the 2023 session, the North Carolina General Assembly passed legislation to raise their minimum insurance to \$50,000/\$100,000 on January 1, 2025.

Today’s bill will update the District’s minimum insurance statute to the level of \$50,000/\$100,000. This bill also allows for the minimum coverage amount to be tied to the CPI to make sure that this insurance, used to pay for harm caused in an auto accident, keeps pace with the cost of those harms.

Insurance carriers may protest that this bill will increase premiums, but state after state has rejected that claim. Innocent victims of motor vehicle accidents have a right to recompense, and it is time the District enter the 21st century.

In addition, with this bill, insureds will be required to elect either UIM or EUIM coverage and carriers will be required to offer both. UIM is underinsured motorist coverage, which provides protection when an at-fault driver does not carry adequate insurance coverage. EUIM is enhanced underinsured motorist coverage. With EUIM, an insured will receive the full benefit of their UIM coverage; the insurance carrier will not be able to take a credit for the at-fault driver’s insurance and reduce its payment to the insured. With this bill there is no longer an option to waive either EUIM or UIM entirely.


Chairman Phil Mendelson

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A BILL

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

To amend the Compulsory/No-Fault Motor Vehicle Insurance Act of 1982 to increase the mandatory minimum motor vehicle insurance requirements for property damage liability and third-party liability coverage, to require insurers to provide enhanced underinsured motor vehicle coverage under a passenger vehicle liability insurance policy, and to increase the mandatory minimum motor vehicle insurance requirements for property damage liability third-party liability, underinsured motor vehicle, and enhanced underinsured motor vehicle coverage by \$5,000 beginning on January 1, 2028 and on January 1 every 5 years after January 1, 2028.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COUMBIA, that this act may be cited as the “Motor Vehicle Insurance Modernization Amendment Act of 2024”.

Sec. 2. Section 7 of the Compulsory/No-Fault Motor Vehicle Insurance Act of 1982, effective September 18, 1982 (D.C. Law 4-155; D.C. Official Code § 31-2406), is amended as follows:

(a) Subsection (a)(1)(D) is amended by striking the phrase “and (iii) uninsured motorist protection.” and inserting the phrase “(iii) enhanced underinsured motorist protection or underinsured motorist protection; and (iv) uninsured motorist protection.” in its place.

35 (b) Subsection (b) is amended by striking the phrase “\$10,000 for all persons injured in
36 any 1 accident” and inserting the phrase “\$20,000 for all persons injured in any one accident” in
37 its place.

38 (c) Subsection (c) is amended by striking the phrase “be \$25,000 per person injured in
39 any 1 accident and \$50,000 for all persons injured in any 1 accident” and inserting the phrase “be
40 \$50,000 per person injured in any one accident and \$100,000 for all persons injured in any one
41 accident” in its place.

42 (d) Subsection (c-1) is repealed.

43 (e) Subsection (f) is amended as follows:

44 (1) A new paragraph (1A) is added to read as follows:

45 “(1A) Enhanced underinsured motorist protection and underinsured motor vehicle
46 coverage are for the protection of an insured who is legally entitled to recover damages from the
47 owner or operator of an underinsured motor vehicle.

48 “(A) The limit of liability for an insurer that provides enhanced
49 underinsured motor vehicle coverage is the amount of that coverage without any reduction for
50 the amount paid to the insured, that exhausts any applicable liability insurance policies, bonds,
51 and securities on behalf of any person that may be held liable for the bodily injuries or death of
52 the insured; and

53 “(B) A policy providing excess coverage may include enhanced
54 underinsured motor vehicle coverage, in an amount equal to but not greater than the excess
55 coverage in the policy. A policy that, as its primary purpose, provides coverage in excess of
56 other valid and collectible insurance or qualified self-insurance may include the enhanced
57 underinsured motor vehicle coverage.”

58 (2) Paragraph (2) is amended by striking the phrase “amounts of \$25,000 per
59 person injured in any 1 accident, or \$50,000 for all persons injured in any 1 accident, and
60 coverage for property damage in an amount of \$5,000 for property damage in any 1 accident”
61 and inserting the phrase “amounts of \$50,000 per person injured in any one accident, or
62 \$100,000 for all persons injured in any one accident, and coverage for property damage in an
63 amount of \$20,000 for property damage in any one accident” in its place.

64 (3) Paragraph (4) is amended by striking the phrase “in any 1 accident” both times
65 it appears and inserting the phrase “in any one accident” in its place.

66 (4) A new paragraph (4A) is added to read as follows:

67 “(4A) Unless waived in accordance with this subsection, each insurer selling
68 motor vehicle insurance in the District with respect to any motor vehicle registered or principally
69 garaged in the District shall include coverage for enhanced underinsured motor vehicle
70 insurance.

71 “(A) The amount of enhanced underinsured motorist coverage provided
72 under a private passenger motor vehicle liability insurance policy shall not exceed the amount of
73 uninsured motorist coverage provided under the policy.

74 “(B) Such policy shall contain coverage for damages, subject to the policy
75 limits, that:

76 “(i) The insured is entitled to recover from the owner or operator of
77 an underinsured motor vehicle because of bodily injuries sustained in a motor vehicle accident
78 arising out of the ownership, maintenance, or use of the underinsured motor vehicle; and

79 “(ii) A survivor of the insured is entitled to recover from the owner
80 or operator of an underinsured motor vehicle because the insured died as the result of a motor

81 vehicle accident arising out of the ownership, maintenance, or use of the underinsured motor
82 vehicle.

83 “(C) An insurer may exclude the following from the enhanced
84 underinsured motor vehicle coverage benefits:

85 “(i) The named insured or a family member of the named insured
86 who resides in the named insured’s household for an injury that occurs when the named insured
87 or family member is occupying or is struck as a pedestrian by an underinsured motor vehicle that
88 is owned by the named insured or an immediate family member of the named insured who
89 resides in the named insured’s household; and

90 “(ii) The named insured, a family member of the named insured
91 who resides in the named insured’s household, and any other individual who has other applicable
92 motor vehicle insurance for an injury that occurs when the named insured, family member, or
93 other individual is occupying or is struck as a pedestrian by the insured motor vehicle while the
94 motor vehicle is operated or used by an individual who is excluded from coverage under District
95 law.”

96 (5) A new paragraph (4B) is added to read as follows:

97 “(4B) If the first named insured does not wish to obtain the enhanced
98 underinsured motorist coverage under this section, the first named insured shall make an
99 affirmative written statement waiving the coverage.

100 “(A) A waiver made under this subsection is not effective unless, before
101 the waiver, the insurer gives the first named insured written notice of the nature, extent, benefit,
102 and cost of the level of the enhanced underinsured motorist coverage being waived.

103 “(B) A waiver made under this subsection shall be made on a form that the
104 Commissioner requires. The form:

105 “(i) May be part of the insurance contract; and

106 “(ii) Shall clearly and concisely explain in at least 12-point
107 boldface type:

108 “(I) The nature, extent, benefit, and cost of the level of the
109 enhanced underinsured motorist coverage that would be provided under the policy if not waived
110 by the first named insured;

111 “(II) That a failure of the first named insured to make a
112 waiver requires the insurer to provide enhanced underinsured motorist coverage;

113 “(III) That the insurer may not refuse to underwrite a
114 person because the person refuses to waive the enhanced underinsured motorist coverage under
115 this subsection; and

116 “(IV) That a waiver made under this subsection must be an
117 affirmative written waiver.”

118 (6) A new paragraph (4C) is added to read as follows:

119 “(4C) If the first named insured does not make an affirmative written statement
120 waiving the enhanced underinsured motorist coverage, the insurer shall provide the coverage
121 under this section.”

122 (7) A new paragraph (4D) is added to read as follows:

123 “(4D) Unless the first named insured affirmatively makes a change in writing, the
124 election to obtain enhanced underinsured motorist coverage applies to all subsequent renewals of

125 coverage and to all other policies or endorsements that extend, change, supersede, or replace an
126 existing private passenger motor vehicle insurance policy issued to the first named insured.”

127 (8) New paragraphs (8) and (9) are added to read as follows:

128 “(8) A provision in a passenger motor vehicle liability insurance policy issued on
129 or after the effective date of this act, about coverage for damages sustained by the insured as a
130 result of the operation of an underinsured motor vehicle that requires a dispute between the
131 insured and the insurer to be submitted to binding arbitration is prohibited and has no legal
132 effect.

133 “(9) A final judgment in any action for personal injury protection coverage under
134 a passenger motor vehicle liability insurance policy does not preclude a subsequent action for
135 enhanced underinsured motor vehicle coverage arising out of the same motor vehicle accident or
136 occurrence.”

137 (f) A new subsection (i) is added to read as follows:

138 “(i) The amounts provided in subsections (c), (c-1), (c-2), and (f) of this section shall
139 increase by \$5,000 beginning on January 1, 2028 and on January 1 every 5 years after January 1,
140 2028. The increased amount shall apply to causes of action arising between January 1 on the
141 year of the increase and December 31 of that year prior to the next increase.”.

142 Sec. 3. Fiscal impact statement.

143 The Council adopts the fiscal impact statement in the committee report as the fiscal
144 impact statement required by section 4a of the General Legislative Procedures Act of 1975,
145 approved October 16, 2006 (120 Stat. 2038; D.C. Official Code § 1-301.47a).

146 Sec. 4. Effective date.

147 This act shall take effect following approval by the Mayor (or in the event of veto by the
148 Mayor, action by the Council to override the veto), a 30-day period of Congressional review as
149 provided in section 602(c)(1) of the District of Columbia Home Rule Act, approved December
150 24, 1973 (87 Stat. 813; D.C. Official Code § 1-206.02(c)(1)), and publication in the District of
151 Columbia Register.
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